REDUCING THE ADMINISTRATIVE WORKLOAD FOR FEDERALLY FUNDED RESEARCH

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT &
SUBCOMMITTEE ON RESEARCH AND TECHNOLOGY
COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

JUNE 12, 2014

Serial No. 113–79

Printed for the use of the Committee on Science, Space, and Technology

Available via the World Wide Web: http://science.house.gov

U.S. GOVERNMENT PRINTING OFFICE
89–408PDF WASHINGTON : 2014

For sale by the Superintendent of Documents, U.S. Government Printing Office
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June 12, 2014

REDUCING THE ADMINISTRATIVE WORKLOAD FOR FEDERALLY FUNDED RESEARCH

THURSDAY, JUNE 12, 2014

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEES ON OVERSIGHT &
RESEARCH AND TECHNOLOGY
COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY,
Washington, D.C.

The Subcommittees met, pursuant to call, at 9:05 a.m., in Room 2318 of the Rayburn House Office Building, Hon. Paul Broun [Chairman of the Subcommittee on Oversight] presiding.

LAMAR S. SMITH, Texas
CHAIRMAN

EDDIE BERNICE JOHNSON, Texas
RANKING MEMBER

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Reducing the Administrative Workload for Federally Funded Research

Thursday, June 12, 2014
9:00 a.m. to 11:00 a.m.
2318 Rayburn House Office Building

Witnesses

Dr. Arthur Bienenstock, Chairman, Task Force on Administrative Burden, National Science Board

Dr. Susan Wyatt Sedwick, Chair, Federal Demonstration Partnership; President, FDP Foundation

Dr. Gina Lee-Glauser, Vice President for Research, Syracuse University, Office of Research

The Honorable Allison Lerner, Inspector General, National Science Foundation, Office of Inspector General

U.S. House of Representatives
Committee on Science, Space, and Technology
Subcommittee on Oversight
Subcommittee on Research and Technology

HEARING CHARTER

Reducing the Administrative Workload for Federally Funded Research

Thursday, June 12, 2014
9:00 a.m. – 11:00 a.m.
2318 Rayburn House Office Building

Purpose

On June 12, 2014, the Subcommittees on Oversight and Research and Technology will hold a joint hearing titled *Reducing the Administrative Workload for Federally Funded Research.*

The National Science Board (NSB) recently released a report titled, "Reducing Investigators' Administrative Workload for Federally Funded Research,"[1] on administrative burdens facing institutions that receive federal funding for research. The hearing will examine concerns raised and policy actions recommended in the NSB report to eliminate or modify ineffective regulations, harmonize and streamline requirements, and increase efficiency and effectiveness for universities receiving federal funds.

Witnesses

- **Dr. Arthur Bienenstock**, Chairman, Task Force on Administrative Burden, National Science Board
- **Dr. Susan Wyatt Sedwick**, Chair, Federal Demonstration Partnership; President, FDP Foundation
- **Dr. Gina Lee-Glauser**, Vice President for Research, Syracuse University, Office of Research
- **The Honorable Allison Lerner**, Inspector General, National Science Foundation, Office of Inspector General

Background

In 2009, the Chairman and Ranking Member of the Committee on Science, Space, and Technology sent a bipartisan and bicameral letter to the National Academies requesting a report identifying the top ten actions to be taken in order to maintain the excellence of U.S. research

[1] National Science Board, "Reducing Investigators' Administrative Workload for Federally Funded Research," National Science Foundation (NSB-14-18), March 10, 2014, available at: http://www.nsf.gov/pubs/2014/nsb1418/nsb1418.pdf; (Hereinafter NSB Report).

and doctoral education. The request expressed concern that America's research universities were 'at risk' and asked the National Academies to assess the future of research universities by asking what Congress, the federal government, state governments, research universities, and others could do to ensure future success of these institutions -- which now face an array of challenges ranging from unstable revenue streams and antiquated policies and practices to increasing competition from universities abroad.[2]

On June 14, 2012, the National Academies released the report *Research Universities and the Future of America: Ten Breakthrough Actions Vital to Our Nation's Prosperity and Security* detailing ten recommendations for stakeholders to ensure U.S. research universities maintain their capabilities and grow their strengths.[3] Of note, one of the recommendations was to:

> "Reduce or eliminate regulations that increase administrative costs, impede research productivity, and deflect creative energy without substantially improving the research environment.
> - Federal policymakers and regulators (OMB, Congress, agencies) and their state counterparts should review the costs and benefits of federal and state regulations, eliminating those that are redundant, ineffective, inappropriately applied to the higher education sector, or that impose costs that outweigh the benefits to society.
> - The federal government should make regulations and reporting requirements more consistent across federal agencies."[4]

National Science Board

Sharing this concern, the NSB Task Force on Administrative Burdens (hereafter, "the Task Force") publically released a report on May 1, 2014 highlighting a growing complaint that there has been an increasing administrative workload placed on federally funded researchers at U.S. institutions, which they say is interfering with the conduct of science.[5]

The Task Force issued a request for information and held roundtable discussions in order to examine which Federal agency and institutional requirements contribute most to research universities' administrative workload. Through such analysis, the Task Force learned that the most common areas associated with high administrative workload included: financial management, the grant proposal process, progress and other outcome reporting, human subject research and institutional review boards (IRBs), time and effort reporting, and personnel management.[6]

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[2] Letter to Ralph J. Cicerone, Charles M. Vest and Harvey V. Fineberg, from Representatives Bart Gordon and Ralph Hall and Senators Barbara Mikulski and Lamar Alexander, June 22, 2009, available at: http://blogs.knoxnews.com/munger/nas.pdf.

[3] National Academies Press, "Research Universities and the Future of America: Ten Breakthrough Actions Vital to Our Nation's Prosperity and Security," 2012, available at: http://www.nap.edu/catalog.php?record_id=13396.

[4] Ibid.

[5] NSB Report, *supra*, note 1.

[6] Ibid.

The Task Force offers several recommendations in its report, including to eliminate or modify ineffective regulations, and to harmonize and streamline requirements.

Federal Demonstration Partnership

In addition, the Federal Demonstration Partnership (FDP), sponsored by the Government-University-Industry Research Roundtable (GUIRR) of the National Academies, is a cooperative initiative among ten federal agencies and 119 institutional recipients of federal funds whose stated purpose is to reduce administrative burdens associated with federal research grants and contracts.[7]

In 2005, an FDP study of investigators found that principal investigators (PIs) of federally sponsored research projects spend, on average, 42 percent of their time on associated administrative tasks.[8] Similarly, the FDP 2012 Faculty Workload Survey, released in April 2014, notes the same percentage of time on average that PIs estimate spending on meeting requirements in conjunction with federally-funded projects. As noted in the survey, "The most commonly experienced administrative responsibilities included those related to federal project **finances, personnel, and effort reporting**. These were also among the most time-consuming responsibilities."[9]

Further, the FDP is currently helping to lead a payroll certification system pilot project as an "alternative to Effort Reporting that uses a project based methodology and utilizes the concept that 'charges are reasonable in relation to work performed.'"[10] There are four pilot schools involved in the project: George Mason University, Michigan Technological University, University of California, Irvine and University of California, Riverside.[11]

Office of Management and Budget

The White House Office of Management and Budget provides guidance for the use of federal research funds, and compliance is monitored through a variety of audits conducted on a regular basis.[12] The National Science Foundation's Office of Inspector General (NSF OIG), for example, which is responsible for auditing grants, contracts, and cooperative agreements funded by NSF, is also auditing two of the above-mentioned four institutions that have implemented new pilot programs to ease time and effort reporting requirements.

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[7] The National Academies website on the Federal Demonstration Partnership, available at: http://sites.nationalacademies.org/PGA/fdp/index.htm

[8] NSB Report, *supra*, note 1.

[9] Sandra L. Schneider, Kirsten K. Ness, et al, 2012 Faculty Workload Survey: Research Report, Federal Demonstration Partnership: April 2014, emphasis in original.

[10] Mike Laskofski, "Payroll Certification on Federally Sponsored Projects," Office of Sponsored Programs, George Mason University, March 2013, available at: http://osp.gmu.edu/wp-content/uploads/PayrollCertification032013.pdf.

[11] Ibid.

[12] Association of American Universities, "University Research: The Role of Federal Funding," January 2011, available at: http://www.aau.edu/WorkArea/DownloadAsset.aspx?id=11588.

In December of 2013, the Office of Management and Budget (OMB) published new guidance for federal award programs titled, "OMB Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."[13]

The guidance states, "This reform of OMB guidance will improve the integrity of the financial management and operation of Federal programs and strengthen accountability for Federal dollars by improving policies that protect against waste, fraud, and abuse. At the same time, this reform will increase the impact and accessibility of programs by minimizing time spent complying with unnecessarily burdensome administrative requirements, and so reorients recipients toward achieving program objectives."[14]

Further, "This reform streamlines the language from eight existing OMB circulars into one consolidated set of guidance in the code of Federal regulations. This consolidation is aimed at eliminating duplicative or almost duplicative language in order to clarify where policy is substantively different across types of entities, and where it is not...This clarification will make compliance less burdensome for recipients and reduce the number of audit findings that result more from unclear guidance than actual noncompliance."[15]

This new guidance is scheduled to be implemented on December 26, 2014, after the affected federal agencies respond to OMB on how they will comply with it.

Frontiers in Innovation, Research, Science, and Technology (FIRST) Act

H.R. 4186, the Frontiers in Innovation, Research, Science, and Technology Act, favorably reported by the House Committee on Science, Space, and Technology on May 28, 2014, includes a legislative provision on regulatory efficiency which requires the Director of the Office of Science and Technology Policy (OSTP) to establish a working group under the National Science and Technology Council. The working group would be responsible for reviewing federal regulations affecting research and research universities and making recommendations on ways to harmonize, streamline and eliminate duplication of regulations and minimize regulatory burden for research universities while maintaining accountability. The working group is also required to take into account input and recommendations from non-federal stakeholders, and within a year after enactment, report on the steps taken to carry out its recommendations.

The language in FIRST is similar to language included in legislation introduced by Ranking Member Eddie Bernice Johnson, H.R. 4159, which also requires the establishment of a working group to review federal regulatory and reporting requirements.

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[13] Federal Register, December 26, 2013, 78 FR 78590, available at: http://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf.
[14] Ibid.
[15] Ibid.

Chairman BROUN. Good morning, everyone. This is the joint hearing of the Subcommittee on Oversight and the Subcommittee on Research and Technology, and we will call this meeting to order.

Welcome to today's joint hearing titled "Reducing the Administrative Workload for Federally Funded Research." In front of you are packets containing the written testimony, biographies and Truth in Testimony disclosures for today's witnesses.

Before we get started, since this is a joint hearing involving two Subcommittees, I want to explain how we will operate procedurally so that all Members understand how the question-and-answer period will be handled. We will recognize those Members present at the gavel in order of seniority on the full Committee and those coming in after the gavel will be recognized in order of their arrival. I now recognize myself for five minutes for an opening statement.

Let me begin by extending a warm welcome to our witnesses, and thank you all for appearing today bright and early. In fact, Dr. Lee-Glauser, I understand you drove all the way from Syracuse to come today, and we really appreciate your taking all that effort to do so. Welcome to all of you.

Earlier this year, the National Science Board issued a report that examines concerns raised by educational institutions on the paperwork required of each of them when applying for Federal funds for research. The report references work done by an association, also represented here today, which identified through a couple of surveys that on average, researchers spend 42 percent of their application time on meeting administrative requirements. That is a massive drain on researchers' time and resources, and means they are spending that much less time on conducting active research, which is their primary objective.

Forty-two percent sounds to me to be an extraordinarily high number. I have often spoken against the bureaucracies associated with a large federal government, and it appears that our educational institutions may indeed be victims of bureaucratic red tape. As such, it seems fair to explore solutions such as harmonizing and streamlining federal regulations and reporting requirements. It also makes sense to eliminate ineffective federal regulations while also requiring universities to increase their efficiency and effectiveness.

But, as with most issues that appear before this Committee, there are many sides to consider, and another one of our witnesses today, the Inspector General for the National Science Foundation, will provide us with her perspective as an auditor, which is quite different. While everyone generally agrees that efforts to reduce these administrative burdens should not be at the expense of transparency and accountability, it is the auditor who actually reviews grants for waste, fraud, abuse and mismanagement.

Consequently, I am interested in learning about not only how the federal government can and needs to do a better job in cutting down red tape to bring that 42 percent number down, but also about the tools, or in this case, the paperwork the NSF Inspector General needs to access in order to do her job effectively.

As a physician and a man of science, I can appreciate the value to our nation and to our students of research universities' work to

sustain the science, technology, engineering and mathematics workforce. The United States relies greatly on the strength and success of our universities in order to remain a world leader in science and technology. But it shouldn't be a surprise to most of you that when it comes to spending taxpayer dollars, I have some well-known opinions on how much, or how little, the federal government should spend and where such funds should go.

Don't get me wrong. Making sure our science agencies are funded at the appropriate authorization levels is important, but it is that definition of "appropriate" that is critical. If we really want to reduce the administrative burden on institutions, then all we have to do is reduce the size of the administration. No money, no problem. But this is a discussion for another day, of course.

I look forward to today's hearing, which I anticipate will inform us on how to reduce the administrative workload for federally funded research without compromising the federal responsibility to ensure tax money is spent in the manner intended.

[The prepared statement of Mr. Broun follows:]

PREPARED STATEMENT OF SUBCOMMITTEE ON OVERSIGHT CHAIRMAN PAUL BROUN

Good morning. Let me begin by extending a warm welcome to our witnesses, and thank you all for appearing today bright and early.

Earlier this year, the National Science Board issued a report that examines concerns raised by educational institutions on the paperwork required of them when applying for federal funds for research. The report references work done by an association, also represented here today, which identified through a couple of surveys that on average, researchers spend 42 percent of their application time on meeting administrative requirements. That is a massive drain on researchers' time and resources, and means they are spending that much less time on conducting active research, which is their primary objective.

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funded research without compromising the federal responsibility to ensure taxpayer money is spent in the manner intended.

Chairman BROUN. Thank you, and now I recognize my friend and Ranking Member, the gentleman from New York, Mr. Maffei, for an opening statement. Mr. Maffei, you are recognized for five minutes.

Mr. MAFFEI. I thank my friend and Chairman for not only for recognizing me but for also holding this hearing. I think this is an extremely important hearing. I am actually particularly pleased that one of my constituents, Dr. Gina Lee-Glauser, is here, and as you mentioned, had to make a great personal sacrifice to come down. Central New York isn't as far as Georgia but it is still quite a drive. Fortunately, we are not in the winter weather where it would have been almost impossible. But I know that the Committee will value her advice and insights about all of us thinking about these issues.

Regulations can certainly add to the burdens and hurdles of researchers, but we have to weigh the benefits of those regulations against the cost. I want to thank Dr. Bienenstock and Dr. Sedwick for bringing their thoughtful reports to our attention. Those studies provide plenty of examples of places where we can pare back on the bureaucratic burdens to free up our professors to do the work we really want them to do.

I am also very pleased to have Mrs. Lerner here to tell us what information really is necessary to collect to avoid fraud and wasteful grants. That is so important.

With scientists spending 40 percent of their time perhaps on this paperwork, and I have even seen larger amounts of time, it is extremely important to make sure that we reduce anything unnecessary to allow them to spend more of their time doing science, but I would be, I think, remiss if I didn't bring up that so much time and energy of a researcher simply comes from applying for grants, the same grants, the same research project over and over and over again, and with 80 percent of applications for grants going unfunded, even very, very promising proposals are not funded simply because there are insufficient funds. The researchers spend an enormous amount of time chasing money from an increasingly smaller pot.

Unfortunately, the FIRST Act that we marked up a few weeks ago in the full Committee failed to provide an authorization that even matches the already constrained level offered by the appropriators. Now, I am not trying to be partisan on this. I actually believe the President also has not done enough in terms of funding science and in terms of real buying power, the cost of science. We have seen that the actual funds have gone down for research from the federal government, and by failing to provide more robust funding, I fear that we consign many researchers to hours and hours of unfunded effort that will four out of five times only result only in failure. That also constitutes a huge hidden cost, and we need science—we need scientists in this country to do the science, not paperwork burdens, not applying again and again and again for the same grant because there is so little funding.

Now, I realize there are a lot of burdens obviously on federal funds, but if we don't do it, Mr. Chairman, I fear that first of all,

competitors such as China and others will overtake us very quickly in terms of research on science but also we are putting our society at a far higher cost. This is a capital investment when we invest in scientific research. It is not the same thing as throwing money out the window. In fact, societies for thousands and thousands of years, even if they had zero social programs, still invested in scientific research, and those that didn't did it at their peril.

So I am very, very grateful to you for having this hearing. I think it is very important to reduce the paperwork burden but I do want to make sure that we put it in the proper context, that it isn't the only thing that is going to solve the problem of scientists spending so much time doing things other than science, and I yield back, Mr. Chairman.

[The prepared statement of Mr. Maffei follows:]

PREPARED STATEMENT OF SUBCOMMITTEE ON OVERSIGHT
RANKING MINORITY MEMBER DAN MAFFEI

Mr. Chairman, I am happy we are holding a hearing on this important subject. While I am grateful to all the witnesses who are here today, I am particularly pleased that the Vice President for Research at Syracuse University, Dr. Gina Lee-Glauser, is able to join us. I know her well and value her advice and insight to inform my thinking about policy related to our Universities.

There are many who think that academics have it easy, but I can tell you that the academics I have known—many of them at Syracuse University—are among the hardest working people you will ever meet. Many professors have to juggle their teaching, their research and their University and community service. So when I hear from many researchers about the additional burdens of the "time and effort" reporting system, I am not the least bit surprised.

My hat is off to all the teachers and researchers who educate and innovate. It is hard work, and sometimes it does not receive the recognition it deserves, but it is essential to building the kind of country and world we want our children to inherit.

Regulations can certainly add to the burdens and hurdles of our researchers, but we have to weigh the benefits of those regulations against the costs. I want to thank Dr. Beinenstock and Dr. Sedwick for bringing their very thoughtful reports to our attention. Those studies provide plenty of examples of places where we can pare back on bureaucratic burdens to free up our professors to do the work we really want them doing.

In this, I think there is no disagreement across the aisle. We both want to reduce unnecessary regulations. That said, I find this hearing's timing to be unfortunate. We are receiving testimony on ways to reduce the burden on researchers just two weeks after the Committee finished marking up the National Science Foundation (NSF) authorization in the FIRST Act. That would have been a perfect opportunity to craft legislation that would have given statutory guidance to NSF about tackling reductions in regulatory burdens. Instead of providing meaningful guidance, the FIRST Act just tells Office of Science and Technology Policy (OSTP) to start thinking about doing something.

I also have to say that the FIRST Act itself creates new regulatory burdens, either directly or indirectly, on researchers. It also increases administrative overhead at NSF, which will drain funds away from research to support the new array of compliance requirements invented by the Majority.

Lastly, there is another area of administrative burden that the Committee contributes to. Reading through the testimony, it is clear that one of the largest time and energy sinks on researcher's time comes in the form of simply applying for grants. With 80 percent of the applications going unfunded, even very, very promising proposals are not funded simply because there are insufficient funds. Researchers spend an enormous amount of time chasing money from an increasingly smaller pot. The FIRST Act failed to provide an authorization that even matches the already-constrained level offered by the appropriators. By failing to provide more robust funding, the Majority consigns many researchers to hours of unfunded effort that will, four out of fivetimes result only in failure. That constitutes its own hidden cost on researchers.

So, I approach this hearing with a sense of gratitude that we can get so much good information on the record, but also aware of the irony in the topic and timing of this hearing.

Yield back, Mr. Chairman.

Chairman BROUN. Thank you, Mr. Maffei. Surely you are not suggesting we get rid of social programs as a Democrat.

Mr. MAFFEI. Surely I am not. I am just drawing a comparison, though I do think we could do those more efficiently as well.

Chairman BROUN. Amen, brother.

I will now recognize the Chairman of the Subcommittee on Research and Technology, the gentleman from Indiana, a medical colleague, Dr. Bucshon, for his opening statement. Dr. Bucshon, you are recognized for five minutes.

Mr. BUCSHON. Thank you, Chairman Broun, and thank you to the witnesses for appearing here today.

Our hearing today on reducing the administrative workload for federally funded research, brings forward an important subject for all of us: reducing burdensome red tape caused by an overly entangled bureaucratic web on the research community.

Last April, I did a university tour in my State of Indiana, which is home to many premier research universities. At every school I visited, the administrative burden on researchers was of utmost concern.

In 2012, the National Research Council produced a report, in response to a bipartisan bicameral request, highlighting ten recommendations for the future of U.S. research universities. One of the recommendations from that report was to reduce or eliminate regulations that increase administrative costs, impede research productivity, and deflect creative energy without substantially improving the research environment.

In early 2013, I joined the former Chair of the Research Subcommittee, my colleague Mo Brooks from Alabama, on a request to the GAO to identify Federal requirements that create burden for research universities. To avoid duplication, GAO waited to move forward on our request due to ongoing work of the Office of Management and Budget, the National Science Board and the Federal Demonstration Partnership. I believe now that these projects have wrapped up we can expect GAO to begin to identify and address concerns regarding both the burden and potential value of regulatory requirements.

Additionally, a bill I authored, H.R. 4186, the Frontiers in Innovation, Research, Science and Technology Act, was reported favorably from the full Committee on May 28th and included a provision requiring the Director of the Office of Science and Technology Policy to establish a working group responsible for reviewing federal regulations surrounding research and research universities and making recommendations on ways to minimize the regulatory burden on universities.

I want to be sure we address the concern that 42 percent of a researcher's time, according to the FDP, is spent on administrative tasks which may take away from the conduct of science. But we must also ensure that we maintain processes to safeguard accountability, transparency and responsibility in handling taxpayer resources.

I am confident that we are taking thoughtful and beneficial steps toward addressing the issue of the regulatory burden. I look forward to hearing from our witnesses today on their experiences, concerns and suggestions to alleviate this problem while preserving accountability.

I yield back.

[The prepared statement of Mr. Bucshon follows:]

PREPARED STATEMENT OF SUBCOMMITTEE ON RESEARCH AND TECHNOLOGY CHAIRMAN LARRY BUCSHON

Thank you Chairman Broun. Our hearing today on Reducing the Administrative Workload for Federally Funded Research brings forward an important subject for all of us; reducing burdensome red tape caused by an overly entangled bureaucratic web on the research community. Last April, I did a university tour in my state of Indiana, which is home to many premier research universities. At every school I visited, the administrative burden on researchers was of the utmost concern.

In 2012, the National Research Council produced a report, in response to a bipartisan bicameral request, highlighting ten recommendations for the future of U.S. research universities. One of the recommendations from that report was to "reduce or eliminate regulations that increase administrative costs, impede research productivity, and deflect creative energy without substantially improving the research environment." Early in 2013, I joined the former Chair of the Research Subcommittee, my colleague Mo Brooks from Alabama, on a request to the Government Accountability Office (GAO) to identify federal requirements that create burden for research universities.

To avoid duplication, GAO waited to move forward on our request due to ongoing work of the Office of Management and Budget (OMB), the National Science Board (NSB) and the Federal Demonstration Partnership (FDP). I believe now that these projects have wrapped up we can expect GAO to begin to identify and address concerns regarding both the burden and potential value of regulatory requirements. Additionally, a bill I authored, H.R. 4186, the Frontiers in Innovation, Research, Science and Technology Act, was reported favorably from the Full Committee on May 28 and included a provision requiring the Director of the Office of Science and Technology Policy (OSTP) to establish a working group responsible for reviewing federal regulations surrounding research and research universities and making recommendations on ways to minimize the regulatory burden on universities.

I want to be sure we address the concern that 42 percent of a researcher's time (according to the Federal Demonstration Partnership (FDP)) is spent on administrative tasks which may take away from the conduct of science. But we must also ensure that we maintain processes to safeguard accountability, transparency and responsibility in handling taxpayer resources.I am confident that we are taking thoughtful and beneficial steps toward addressing the issue of regulatory burden. I look forward to hearing from our witnesses today on their experiences, concerns and suggestions to alleviate this problem while preserving accountability.

Chairman BROUN. Thank you, Dr. Bucshon. I now recognize the Ranking Member of the Research and Technology Committee, my friend, Mr. Lipinski. You are recognized for five minutes.

Mr. LIPINSKI. Thank you, Chairman Broun, and thank you, Chairman Broun and Chairman Bucshon, for holding this hearing on reducing the administrative workload for researchers. My prior life as a university professor, researcher, I certainly do have an appreciation for this.

There have been numerous reports, including some we will hear about this morning, that have found that researchers face significant administrative burdens, as all of my colleagues have talked about. That is concerning because time spent on administrative tasks from applying for grants, to submitting progress reports, to complying with rules for human participant requirements is time not spent on conducting research. This could mean a delay in re-

search progress and lengthening the time for the next scientific breakthrough.

I want to stress that many administrative requirements are very important. We must have a system that ensures that federal resources are not being wasted and that human participants are being protected. That being said, we need to find the right balance that meets those goals and allows researchers to focus on what they do best: advancing science. I am concerned that we might not be striking the appropriate balance. If researchers are spending over 40 percent of their time on administrative tasks and not research, that is wasteful.

At a hearing in 2012, the Research Subcommittee heard testimony from university witnesses expressing concern about the growing toll of administrative burdens. After that hearing, I sent a letter to OMB as the agency sought to reform federal grants policies. The letter urged OMB to make changes to reduce administrative burdens in some of the same areas addressed in the Board's report. While the OMB has not adopted these recommendations in full, I do feel that substantive progress has been made and I hope that we can continue to address these matters moving forward. I look forward to working with research groups, the university community, science agencies, and other interested parties to identify and act on additional opportunities for reform.

Although this Committee cannot solve all the problems associated with administrative burdens, we do have an important role to play in working on and highlighting these issues. Both the America COMPETES Reauthorization Act of 2014 and the FIRST Act, as mentioned by Chairman Bucshon, include language that would establish a working group under the National Science and Technology Council to make recommendations on how to harmonize, streamline, and eliminate duplicative federal regulations and reporting requirements. I am interested to hear the witnesses' thoughts on these legislative proposals.

I am also interested in hearing from the witnesses about how other legislation such as the DATA Act, which has just been enacted, and the GRANT Act, which has been proposed, would affect administrative burdens for researchers.

Finally, I am interested in hearing about the progress that is already being made to streamline and harmonize administrative tasks. For example, I know that federal agencies have been working on harmonizing the grant proposal process and progress reporting requirements. Additionally, I understand that agencies have started exploring ways for researchers to submit only the information needed for the initial peer review phase and then requiring administrative information from the researchers only if the proposal is likely to be awarded. I look forward to hearing from the witnesses about these efforts and other proposals that could help reduce the administrative burden for researchers.

In closing, federal agency and institutional requirements have been put in place to protect human participants and animal subjects in research, ensure integrity in the research enterprise, and eliminate waste, fraud and abuse. There is no question that we need to have these requirements in place but there is room to make changes to the implementation of these requirements. We must

strike the right balance that both protects our research enterprise and enables scientists to spend more time on their important research.

I look forward to the witness testimony today and I thank you for being here, and I yield back the balance of my time.

[The prepared statement of Mr. Lipinski follows:]

PREPARED STATEMENT OF SUBCOMMITTEE ON RESEARCH & TECHNOLOGY
RANKING MINORITY MEMBER DAN LIPINSKI

Thank you Chairman Broun and Chairman Bucshon for holding this hearing on reducing the administrative workload for researchers.

There have been numerous reports, including some we will hear about this morning, that have found that researchers face significant administrative burdens. That is concerning because time spent on administrative tasks—from applying for grants, to submitting progress reports, to complying with rules for human participant requirements—is time not spent on conducting research. This could mean a delay in research progress and lengthening the time for the next scientific breakthrough.

I want to stress that many administrative requirements are very important. We must have a system that ensures that human participants are being protected and that federal resources are being used wisely. That being said, we need to find the right balance that meets those goals and allows researchers to focus on what they do best—advancing science. I am concerned that we might not be striking the appropriate balance. If researchers are spending over 40 percent of their time on administrative tasks and not research, that is not productive.

At a hearing in 2012, the Research subcommittee heard testimony from university witnesses expressing concern about the growing toll of administrative burdens. As a result, in May of last year I made several recommendations along the lines of the issues raised in the Board's report in a letter to OMB as the agency sought to reform federal grants policies. While the OMB has not adopted these recommendations in full, I do feel that substantive progress has been made and I hope that we can continue to address these matters moving forward. I look forward to working with research groups, the university community, science agencies, and other interested parties to identify and act on additional opportunities for reform.

Although this Committee cannot solve all the problems associated with administrative burdens, we do have an important role to play in working on and highlighting these issues. Both the America Competes Reauthorization Act of 2014 and the FIRST Act include language that would establish a working group under the National Science and Technology Council to make recommendations on how to harmonize, streamline, and eliminate duplicative federal regulations and reporting requirements. I am interested to hear from the witnesses their thoughts on these legislative proposal.

I am also interested in hearing from the witnesses about how other legislation such as the DATA Act, which has just been enacted, and the GRANT Act, which has been proposed, would affect administrative burdens for researchers.

Finally, I am interested in hearing about the progress that is already being made to streamline and harmonize administrative tasks. For example, I know that federal agencies have been working on harmonizing the grant proposal process and progress reporting requirements. Additionally, I understand that agencies have started exploring ways for researchers to submit only the information needed for the initial peer review phase and then requiring administrative information from the researchers only if the proposal is likely to be awarded. I look forward to hearing from the witnesses about these efforts and other proposals that could help reduce the administrative burden for researchers. In closing, federal agency and institutional requirements have been put in place to protect human participants and animal subjects in research, ensure integrity in the research enterprise, and eliminate waste, fraud, and abuse. There is no question that we need to have these requirements in place. But there is room to make changes to the implementation of these requirements. We must strike the right balance that both protects our research enterprise and enables scientists to spend more time on their important research.

I look forward to all of the witness testimony and the Q&A, and I thank you all for being here today. I yield back the balance of my time.

Chairman BROUN. Dr. Lipinski, I appreciate your opening statement.

If there are Members who wish to submit additional opening statements, your statements will be added to the record at this point.

[The prepared statement of Ms. Johnson follows:]

PREPARED STATEMENT OF FULL COMMITTEEE RANKING MEMBER EDDIE BERNICE JOHNSON

Thank you, Mr. Chairman. I want to join you in thanking all the witnesses for being here.

This morning we are discussing how to reduce the administrative workload for researchers. As I am sure we will hear this morning, numerous reviews by esteemed organizations have found that researchers face significant administrative burdens at perhaps too high a cost to benefit ratio. That is not good.

It is clear that we must ensure full accountability for all federal funding. However, it is also clear that in order for our country to remain a leader in research, we need our researchers conducting research—not spending excessive amounts of time on paperwork.

I am interested in hearing from our witnesses about ideas for streamlining and harmonizing some of these reporting requirements to ensure that researchers are spending most of their time conducting research.

I do find it interesting though that we are holding this hearing on administrative burdens so soon after marking up the FIRST Act, which the National Science Board and others have pointed out would lead to significant increases in regulations and red tape.

Instead of having a genuine conversation about how we can reduce the administrative burdens on our researchers, I am concerned that the Majority wants to have it both ways. They want to pass a bill that would add significant burdens one week and then lament all of the increasing burdens on researchers the next week. That doesn't make any sense.

I hope that we can move to an honest conversation about how this Committee can help ensure that the research community has all the tools they need to be successful. That includes fewer administrative burdens, but also includes increased and predictable research funding. Otherwise our researchers will continue to spend more and more time applying for grants and checking boxes rather than conducting research.

If we were serious about promoting U.S. science and competitiveness, this Committee would be investing in research and reducing unnecessary red tape—not providing flat funding, rewriting merit-review, and adding more bureaucratic burdens as the FIRST Act does.

Thank you Mr. Chairman and I yield back the balance of my time.

Chairman BROUN. At this time I would like to introduce our panel of witnesses. Our first witness is Dr. Arthur Bienenstock, Chairman of the Task Force on Administrative Burden at the National Science Board. Dr. Bienenstock is also a Professor Emeritus of Photon Science, Special Assistant to the President for Federal Research Policy, and Director of the Wallenberg Research Link at Stanford University.

Our second witness is Dr. Susan Wyatt Sedwick, Chair of the Federal Demonstration Partnership and President of the FDP Foundation. Dr. Sedwick is also an Associate Vice President for Research and Director of the Office of Sponsored Projects at the University of Texas at Austin. At least you didn't have to drive from Austin. That is good.

Our third witness is Dr. Gina Lee-Glauser, the Vice President of Research at Syracuse University's Office of Research, and again, thank you so much for taking a tremendous effort to drive all the way down here from Syracuse. We really appreciate it.

Our final witness is the Hon. Allison Lerner, Inspector General at the National Science Foundation's Office of Inspector General.

Let me just say that I especially appreciate your presence here today, Ms. Lerner. I am aware that your father is not well, and I want you to know that I will keep him and you and your family in my prayers. So thank you.

As our witnesses should know, spoken testimony is limited to five minutes each after which the Members of the Committee have five minutes each to ask questions. Your written testimony will be included in the record of the hearing.

It is the practice of this Subcommittee on Oversight to receive testimony under oath. If you now would all please stand and raise your right hand? I hope no one objects to taking an oath. Do you solemnly swear to affirm to tell the whole truth and nothing but the truth, so help you God? You may be seated. Let the record reflect that all the witnesses participating have taken the oath.

I now recognize Dr. Bienenstock for five minutes. Sir, you are recognized. Let me remind all the witnesses that we are going to have votes this morning, and so if you could, please try to limit your comments to five minutes. Your written testimony will be placed in the record. If you all could try to watch the clock and make sure that if you can as much as possible just adhere to the five minutes, I would appreciate it.

Dr. Bienenstock.

TESTIMONY OF DR. ARTHUR BIENENSTOCK, CHAIRMAN, TASK FORCE ON ADMINISTRATIVE BURDEN, NATIONAL SCIENCE BOARD

Dr. BIENENSTOCK. Chairmen Broun and Bucshon, Ranking Members Maffei and Lipinski, and Members of the Subcommittees, I appreciate the opportunity to speak with you today on streamlining the red tape that is slowing the pace of scientific research.

While this is a topic with which I have been engaged for many years as a former Associate Director for Science at OSTP and Vice Provost for Research at Stanford, I am here today representing the National Science Board, which is an independent adviser to Congress and the President. The Board's Task Force on Administrative Burdens recently completed a report on reducing investigators' administrative workload for federally funded research. The Board created this task force because our scientists are dealing with heavy administrative workloads that interfere with the effectiveness of our nation's research enterprise as indicated by successive federal demonstration partnership surveys. This Committee heard this concern voiced before at its hearing two years ago on the National Academies' report on research universities and the future of America.

I would like to thank this Committee for your sustained attention to this issue including through Section 302 of the FIRST Act that would require the creation of a high-level interagency intersector committee to harmonize regulations across agencies. This is recommended in our report as well.

The Board's report is available on our website, and I have a number of copies available here today, so I will highlight only a few key points in my oral remarks.

First, I want to emphasize that the NSB is absolutely committed to the principle that research must be conducted with integrity, ad-

herence to standards, safety and full accountability. Administrative compliance requirements are needed to ensure this. However, it is equally important that we achieve these goals without creating unnecessary burdens.

Second, while regulatory requirements add to the workload of many stakeholders including NSF program officers and university administrators, our task force focused on research scientists and how we may be hindering their productivity. To prepare our report, the NSB issued an open request for information to the U.S. research community and held three roundtables across the country. Over 3,000 researchers and research administrators provided us with feedback. We also consulted with the major organizations studying research administration and burden issues including accrediting organizations for human and animal subject protections. The Board believes that by using stakeholder input to help identify and prioritize concerns, agencies like the National Science Foundation can provide an even better return on scarce taxpayer dollars.

Let me now present our overarching findings and a few key recommended actions. First, the Board believes that we need to focus on the science. Proposals to the NSF include much information that is not critical to judging the intellectual merit and potential broader impacts of a proposal. Much researcher and reviewer time could be saved if materials like detailed budgets or postdoctoral mentoring plans were not submitted until after a project has been through merit review and deemed worthy of support.

Second, we need a continued government-wide push to streamline regulations. For instance, the Federal Demonstration Partnership's payroll certification pilot may help us to reduce the burden associated with effort reporting without reducing accountability. You may hear more on this from both the FDP and Allison Lerner as she and her colleagues are reviewing this pilot. The Board and many universities are looking forward to their report and hope to learn from it.

Third, we need to continue to push for harmonization and streamlining across the federal government. The OMB Uniform Guidance and the new research performance progress reports are steps in the right direction but more needs to be done. For example, the research community perceives that federal audit practices are not applied in a uniform and consistent way. The Board will try to facilitate discussions between the audit and university communities to address this. There will be ongoing challenges of this sort. This is why we recommend the establishment of a permanent high-level intersector interagency committee.

Finally, the report recommends ways in which our universities might increase their efficiency and effectiveness as stewards of research and taxpayer dollars.

Thank you for the opportunity to testify, and I look forward to your questions.

[The prepared statement of Dr. Bienenstock follows:]

Testimony of
Dr. Arthur Bienenstock, Chairman
Task Force on Administrative Burdens
National Science Board

Before the Subcommittee on Oversight and
The Subcommittee on Research and Technology
House Committee on Science, Space, and Technology
June 12, 2014

The National Science Board (NSB) is the policy-making and governance board for the National Science Foundation and also is legislatively charged to recommend and encourage the pursuit of national policies to promote research and education in science and engineering. We undertook our report on *Reducing Investigators' Administrative Workload for Federally Funded Research* out of concern that U.S. scientists are dealing with heavy administrative workloads and that that these administrative burdens interfere with their research productivity.

I hasten to add that the NSB is absolutely committed to the principle that research must be conducted with integrity, safety, and full accountability. Administrative compliance requirements are extremely important to ensure adherence to these principles. However, it is equally important that regulations and compliance mechanisms are structured and implemented so as to achieve their intended purposes without creating unnecessary burdens. The costs should not outweigh the oversight benefits.

Our point of view in this undertaking was to consider the effects of administrative requirements on scientists per se rather than on the costs to their institutions. As you probably know, other organizations have taken a more institutional focus. As stewards for the health of the nation's scientific enterprise, the NSB felt it crucial that someone also examine how we may be hindering the productivity and creativity of the scientists themselves.

I have personally been concerned with these problems since the late 1990's when I served as the Associate Director for Science in the Office of Science and Technology Policy (OSTP). At that time, I oversaw a major effort to harmonize regulatory and administrative requirements across our federal research agencies in order to reduce the heavy administrative burden on scientists. We worked for three years with some success, but regulations have continued to proliferate and diverge since that time.

One of the lessons I learned while working on harmonization is that, given the number of agencies and stakeholders involved, it takes a lot of patience, persistence, and hard work to achieve even small successes. Each regulation and requirement was instituted to achieve some worthwhile purpose. Across

agencies and over time, though, the variations in requirements add up to mountains of overlapping-but-divergent forms, electronic systems, rules, and restrictions.

If we can free up researcher time by harmonizing and simplifying regulations, they will have more time and mental energy for scientific and educational undertakings and taxpayers will be able to support more and better research per dollar of investment. For example, when scientists know they will be following the same reporting formats for all their federal grants, thanks to the new uniform Research Performance Progress Report, they will spend less time reading reporting guidance and formatting requirements, learning to use agency software, and deciding what should be included and how best to present the relevant information. If they can more efficiently do these tasks, which are required at least annually for all federally supported projects, they will have more time for their substantive work.

To prepare our report, the NSB issued an open request for information to the U.S. research community. We received input from more than three thousand researchers and research administrators. This was analyzed and compared with other surveys and reports, such as those conducted by the Federal Demonstration Partnership. We also held three roundtables across the country to connect directly with scientists. And we consulted with the major organizations studying research administration and burden issues, including those who oversee human subject protection and animal subject protection accreditation.

Respondents were typically interested in reducing the tasks that take significant time without significant payoff or with unintended consequences, such as financial records that cost more to track than they can save or progress reports that are perceived to be little used by agencies. In this sense, scientists' concerns are consistent with those of the National Research Council, which has recommended that Federal agencies find ways to reduce those regulatory burdens that "increase administrative costs, impede research productivity, and deflect creative energy without substantially improving the research environment."

Based on our data gathering and deliberation processes, our report offers four overarching recommendations to protect research programs from counterproductive administrative requirements. If these can be addressed, we would expect a healthier, more productive research ecosystem, and agencies like the National Science Foundation would provide an even better return on scarce taxpayer dollars.

Our four overarching findings and recommendations are:

- Proposal requirements should **FOCUS ON THE SCIENCE**, on the scientific and potential social value of the project, deferring ancillary materials not critical to merit review. Supplementary and oversight materials could be submitted only once a project was in consideration for funding. Thousands of investigators and tens of thousands of reviewers could save significant time, for example, if they did not need to prepare and review data archiving plans until after a project was deemed potentially fundable.

- Eliminate or modify **REGULATIONS** that are **INEFFECTIVE OR INAPPROPRIATE** for scientific projects. A prime candidate for immediate action is the time-and-effort reporting systems that currently yield imprecise numbers when applied to university scientists yet are costly to administer. Every month our researchers are asked to partition their time into buckets --- for example, did the time I spent helping a graduate student solve a laboratory problem count as

teaching or research? These things are difficult to measure, the most common measures provide limited controls, and the systems are often costly to administer. Alternative approaches are being developed. The Federal Demonstration Project is testing a payroll certification pilot that may provide a viable approach for simplifying paperwork without reducing accountability.

Our investigations also led us to conclude that there can be improvements in oversight of human subjects protection, animal subject protection, conflict of interest tracking, and laboratory safety and security. Our report documents many suggestions for these topic areas. For example, allowing human subjects approval by a single institutional review board for projects that involve scientists from multiple universities. The National Science Board does not promote changes that reduce safety or scientific integrity, but we judge that scrutiny of these systems could yield changes that would enhance efficiency without degrading effectiveness.

Intensified and continuing work to **HARMONIZE AND STREAMLINE** regulations, policies, guidelines, reporting requirements, forms and formatting, electronic systems, and training is needed. We believe that it would be especially valuable to develop uniform and consistent audit practices related to scientific grants and contracts. Perceived variation in audit requirements and in institutions' understandings about audits has produced, in many institutions, a culture of risk aversion and excessive documentation that interferes with both the content of science as well as the efficiency with which it is conducted. More uniformity would enable and encourage institutions to learn to comply with oversight needs without over-complying and creating an atmosphere of excessive documentation and risk aversion.

A permanent high-level, inter-sector, inter-agency committee would be needed in order to achieve successful harmonization since at any time, even as one set of requirements is being harmonized, some agency or legislative body may propagate a new rule that would introduce a new source of variation. We recommend that such a committee should have stakeholder, Office of Management and Budget and OSTP membership. We are not alone in this recommendation. Similar language appears in both the House FIRST Act and the Senate America Competes 2014 reauthorization bill that are currently under discussion in Congress.

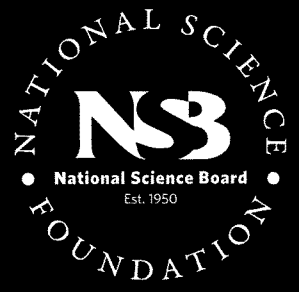
Finally, there is work for our universities to do to increase their **EFFICIENCY AND EFFECTIVENESS** as stewards of research and as federal awardees. We recommend that federal agencies identify and disseminate model programs and best practices in order to help universities achieve enhanced performance. This may sound like a simple, straightforward recommendation but, in fact, agencies sometimes feel constrained from offering such assistance for a variety of reasons, including fear of reprisal if something goes wrong at an institution that has availed itself of informal agency guidance. We also believe that the bodies that oversee human subjects and animal subjects protections (respectively, the Association for the Accreditation of Human Research Protection Programs and the Association for Assessment and Accreditation of Laboratory Animal Care) can better partner with universities to achieve these crucial protections more efficiently. The NSB also recommends that institutions avoid adding unnecessary requirements to those already mandated unless compelling reasons exist to do so. Finally, the NSB recommends that universities review their Institutional Review Board (IRB) and

Institutional Animal Care and Use Committee (IACUC) processes and staff organization with the goal of achieving rapid approval of high-quality protocols that protect research subjects.

I have not covered all the recommendations in the report. The NSB suggested several specific actions in conjunction with each of our four overarching recommendations. We are prepared to provide additional background and justification on any topic of interest to you from this testimony or from the report itself.

NSB-14-18

REDUCING INVESTIGATORS' ADMINISTRATIVE WORKLOAD FOR FEDERALLY FUNDED RESEARCH



MARCH 10, 2014

EXECUTIVE SUMMARY

The past two decades have witnessed increasing recognition that the administrative workload placed on federally funded researchers at U.S. institutions is interfering with the conduct of science in a form and to an extent substantially out of proportion to the well-justified need to ensure accountability, transparency and safety. A 2005 Federal Demonstration Partnership (FDP) survey of investigators found that principal investigators (PIs) of federally sponsored research projects spend, on average, 42 percent of their time on associated administrative tasks. Seven years later, and despite collective Federal reform efforts, a 2012 FDP survey found the average remained at 42 percent.

In December 2012, the National Science Board (NSB, Board) convened a Task Force on Administrative Burdens (Task Force).[1] The Task Force issued a request for information (RFI) to identify which Federal agency and institutional requirements contribute most to PIs' administrative workload and conducted a series of roundtable discussions with faculty and administrators. The most frequently reported areas associated with high administrative workload were financial management; the grant proposal process; progress and other outcome reporting; human subjects research and institutional review boards (IRBs); time and effort reporting; research involving animals and institutional animal care and use committees (IACUCs); and personnel management. Other areas frequently addressed were subcontracts, financial conflict-of-interest (COI), training, and laboratory safety and security.

Investigators and institutions acknowledge their responsibility to ensure transparency, accountability and safety in the conduct of federally funded research and, thus, that rules and regulations are necessary. However, they also mentioned an array of areas where those rules and regulations could be eliminated, streamlined, or harmonized across agencies to significantly reduce unnecessary regulatory burden. Further, there is a perception that we have lost focus on the science and introduced requirements that are not necessary for the assessment of merit and achievement, accountability, or the protection of research subjects. These requirements often come at considerable cost to investigators and institutions and yield a loss of valuable research time, particularly when not harmonized across Federal agencies. Investigators and institutions perceive a lack of consideration for the cost and benefit of new regulations, suggesting that the cost is often far greater than the benefit, and that there were no means to assess their effectiveness. Once implemented, regulations are not easily modified or eliminated.

Investigators at many institutions suggested that a culture of overregulation has emerged around Federal research, which further increases their administrative workload. This overregulation was associated with a perceived increase in auditing practices and resulting institutional concerns about liability. Increased Federal reporting and compliance requirements, coupled with insufficient reimbursement of costs associated with federally funded research and a resulting decline in institutional administrative support at some universities, are reported to have added significantly to the faculty workload in tracking information, gathering administrative data, and preparing reports at the expense of performing research.

Many of the issues raised have been highlighted in previous surveys and reports for more than a decade. Failure to address these issues has resulted in wasted Federal research dollars. At a time of fiscal challenges and with low funding rates at many Federal agencies, it is imperative that these issues are addressed so that researchers can refocus their efforts on scientific discovery and translation. The Board offers several key, overarching, recommendations and a series of policy actions aimed at modifying and streamlining those requirements that are essential to ensure the proper performance of federally funded research.

I. FOCUS ON THE SCIENCE

Investigators' administrative workload could be reduced significantly if requirements that are not critical to a proposal's merit review were postponed until the proposal has been positively reviewed and is being considered for funding. Administrative work could be reduced further if progress reports were streamlined and focused solely on performance outcomes. The Board strongly encourages the National Science Foundation (NSF) Director and other Federal agencies funding scientific research to focus the peer review process and post-award oversight on merit and achievement.

To achieve this goal, the Board proposes the following policy actions:

A | The Board recommends that agencies modify proposal requirements, so that they only include those essential to evaluating the merit of the proposed research and making a funding determination. This can be achieved through use of these or other mechanisms:
- Preliminary proposals
- Broadening just-in-time submission
- Simplifying budget requirements

B | Annual progress reports should be limited to research outcomes, reported in simplified formats and commensurate with the size of the award. Additional data requests should be limited to only what is essential for assessment of performance and compliance.

C | The Board advises the NSF Director to fully review and consider the agency-specific comments received in response to the Board's RFI, as well as consideration of piloted modifications to the proposal process, and to report to the Board on review and progress within six months of the publication of this report.

II. ELIMINATE OR MODIFY INEFFECTIVE REGULATIONS

In a number of areas, investigators and institutions have identified regulations that are ineffective or inappropriately applied to research time and again in surveys and reports. Effective action should be taken to eliminate or modify these requirements to avoid further waste of Federal research dollars and to accelerate the pace of scientific discovery and innovation.

To achieve this goal, the Board proposes the following policy actions:

A | The Board proposes that the Office of Management and Budget (OMB) identify appropriate means by which the piloted payroll certification approach for time and effort reporting can be used by universities and accepted by auditors and Inspectors General (IGs). Once resolved, a Memo of Clarification should be issued indicating that the payroll certification method is acceptable to the Federal Government.

B | The Board supports a number of recently proposed reforms to regulations governing human subjects research, including:
- Encouraging the use of a single IRB for multi-site studies.
- Eliminating continuing review for all expedited/minimal-risk protocols.
- Expansion and clarification of current exemption categories.

Further, the Board endorses the Association for the Accreditation of Human Research Protection Programs (AAHRPP) recommendation to declare all research involving minimal risk as eligible for review using the expedited procedure. The Board further recommends eliminating the requirement that IRBs review grant proposals and the requirement to submit IRB approved research protocols for review by agency IRB or peer review panel.

C | An evaluation of the regulations, policies, guidance, best practices and frequently asked questions

(FAQs) of all regulatory, independent, and certification bodies governing animal research should be considered to identify policies and guidance that increase investigators' administrative workload without improving the care and use of animals.

D | Proper balance between protection against COI and encouragement of university/industry partnership is needed to facilitate sound investment of Federal funding in innovative activities. The Board recommends an evaluation of recent changes to Public Health Services (PHS) COI regulations to assess cost and effectiveness and impact on entrepreneurial activities. The Board does not recommend adoption of the PHS COI regulations by other Federal agencies.

E | The Board recommends re-examining safety and security requirements, or aspects of these requirements that target industry, but are also applied to research settings. Based on this examination, appropriate alternatives should be identified and implemented.

III. HARMONIZE AND STREAMLINE REQUIREMENTS

Despite efforts on the part of OMB, Federal agencies and groups such as the Research Business Models Working Group (RBM) and FDP, a substantial lack of consistency and standardization remains within and among agencies in all aspects of grant management (i.e., regulations, policies, guidelines, and reporting requirements, terms and conditions, oversight, forms and formatting, electronic research administrative systems, and training). This lack of consistency comes at a high cost to investigators and institutions and must be addressed.

To achieve this goal, the Board proposes the following policy actions:

A | The Board urges Federal agencies to accelerate efforts to harmonize and streamline the grant proposal and submission processes and post-award requirements.

B | The Board recommends that a mechanism be established to ensure uniform and consistent audit practices based clearly and directly on regulatory requirements. The Board further urges agencies and institutions to consider requiring receipts and justifications only for larger purchases.[8] Audits that focus on larger expenditures, outcomes, and infrastructure for compliance and risk management, would significantly reduce investigators' workload while maintaining necessary oversight.

C | To address the recommendations in this and other reports and to properly develop and implement new requirements affecting investigators and institutions, the Board recommends that a permanent high-level, inter-agency, inter-sector committee be created, with stakeholder and OMB/Office of Information and Regulatory Affairs (OIRA) representation. Stakeholders, either in concert with agencies as part of a committee or through a forum such as the National Academies, should create a priority list of regulations and policies that should be eliminated, modified, or harmonized to reduce the administrative workload of PIs and institutions. Implementation of the changes identified could occur, in part, through the recommended inter-agency, inter-sector committee.

IV. INCREASE UNIVERSITY EFFICIENCY AND EFFECTIVENESS

University resources and the ability of institutions to manage Federal grants and comply with regulations vary widely, and this variance has real implications for investigators. Dissemination of effective practices and models can create efficiencies that reduce PIs' administrative workload. For research subject to IRB and IACUC review, effective practices and institutional assistance can result in significant time savings.

To achieve this goal, the Board proposes the following policy actions:

A | The Board recommends that institutions communicate the origin of compliance requirements to researchers and avoid adding unnecessary requirements to those already mandated unless compelling reasons exist to do so.

B | The Board recommends that Federal agencies collaborate with research institutions, and organizations representing investigators and institutions to identify and disseminate model programs and best practices (e.g., for financial management and IRB/IACUC review) that could be adapted for use at other institutions. This effort could be aided by the recommended inter-agency, inter-sector committee.

C | The time and effort involved in protocol preparation, revision, and review could likely be reduced if IRB and IACUC staff provided researchers with knowledgeable assistance in the preparation and modification of these protocols. The Board recommends that universities review their IRB and IACUC processes and staff organization with the goal of achieving rapid approval of high-quality protocols that protect research subjects.

BIOGRAPHY

Materials Science and Engineering, Applied Physics, Photon Science (SLAC)

B.S., Polytechnic Institute of Brooklyn, 1955
M.S., Polytechnic Institute of Brooklyn, 1957
Ph.D., Harvard University, 1962

Arthur Bienenstock is Professor emeritus of Photon Science, Special Assistant to the President for Federal Research Policy and Director of the Wallenberg Research Link at Stanford University. He received his B.S. and M.S. degrees in Physics from the Polytechnic Institute of Brooklyn, and his Ph.D. degree in Applied Physics from Harvard University in 1962.

He joined the Stanford faculty in 1967 and has served as Professor of Applied Physics, Professor of Materials Science and Engineering, Vice Provost for Faculty Affairs (1972-77), Director of the Stanford Synchrotron Radiation Laboratory (1978-97), Associate Director of the Stanford Linear Accelerator Center (1992-97) and Vice Provost for Research and Graduate Policy (2003-6), From November, 1997 to January, 2001, he served as Associate Director for Science of the Office of Science and Technology Policy while on leave from Stanford.

Prior to joining Stanford, Bienenstock was a National Science Foundation Postdoctoral Fellow at the Atomic Energy Research Establishment, Harwell, England (1962-3) and an Assistant Professor in Harvard University's Division of Engineering and Applied Physics (1963-7).

His early research involved a broad range of theoretical studies of crystalline solids, with some experimental and theoretical X-ray studies of poorly crystallized and amorphous systems. While still at Harvard, he became increasingly interested in the properties of amorphous materials and gradually shifted towards experimental studies of atomic arrangements in these materials.

This, in turn, led Bienenstock to recognize the great potential of X-ray synchrotron radiation (SR) for studying these arrangements. He turned his attention to the development of SR techniques for analysis of bulk and thin film amorphous materials, as well as to the development of increasingly powerful synchrotron radiation sources as director of the Stanford Synchrotron Radiation Laboratory (SSRL). His responsibilities as SSRL director led him increasingly into science policy and, subsequently, to the Office of Science and Technology Policy.

He has published over 100 papers in scientific and science policy journals, and his graduate students and postdoctoral associates hold major research and leadership positions throughout the world.

In 1968, Bienenstock was the first recipient of the Pittsburgh Diffraction Society's Sidhu Award. He received the Distinguished Alumnus Award of the Polytechnic Institute of New York Alumni Association in 1977, the Distinguished Service Award of the Department of Energy in 2005 and the Cuthbertson Award from Stanford University in 2009. He is a fellow of the American Academy of Arts and Sciences, the American Physical Society, the Institute of Physics, the American Association for the Advancement of Science and the California Council of Science and Technology.

He was awarded honorary PhDs by Polytechnic University (1998) and Lund University (2006). In March, 2010, he was elected a Foreign Member of the Swedish Royal Academy of Engineering Sciences. He was president of the American Physical Society (2008) and chair of the Council of Scientific Society Presidents (2010).

Bienenstock is married to Roslyn Bienenstock, a retired health professional. They have two children.

He was appointed to the National Science Board in 2012.

Chairman BROUN. Thank you, Dr. Bienenstock.

Our next witness is Dr. Sedwick. You are recognized for five minutes, Dr. Sedwick. Thank you.

TESTIMONY OF DR. SUSAN WYATT SEDWICK, CHAIR, FEDERAL DEMONSTRATION PARTNERSHIP; PRESIDENT, FDP FOUNDATION

Dr. SEDWICK. Thank you. Chairman Broun, Chairman Bucshon, Ranking Members Lipinski and Maffei, and honorable Members of the Oversight and Science and Technology Subcommittees, my name is Susan Wyatt Sedwick. I am Chair of Phase V of the Federal Demonstration Partnership and also serve as President of the FDP Foundation. As you will note from my CV, I am an Associate Vice President for Research and Director of the Office of Sponsored Projects at the University of Texas at Austin. I appreciate your invitation to appear before you today to provide an overview of the FDP's involvement in efforts to reduce the administrative burdens facing institutions and principal investigators that receive federal funding to conduct scientific research while not compromising proper stewardship.

The FDP began in 1986 as the Florida Demonstration Project, and as of October 1 of this year, we will have grown to membership of over 155 research institutions and 10 federal agencies as members of Phase VI. The National Academy of Science, Government, University Research Roundtable serves as the neutral convenor of the FDP.

The FDP acknowledges the need for federal government to ensure transparency, accountability and the efficient use of federal research funding, but the 26 percent cap on the reimbursement of administrative costs to universities has not kept pace with the growing regulatory burden. Since the imposition of the cap over 20 years ago, university research has been subject to over 80 new or significantly revised regulatory requirements. This does not include the extremely burdensome requirements associated with the American Recovery and Reinvestment Act funding support.

Almost 20 years ago, the FDP first surveyed federally funded faculty researchers to evaluate the Florida Demonstration Project's first demonstration of the expanded authorities which allowed grantees to perform some actions such as unilaterally extending final project periods for up to 12 months without prior federal agency approval. The results indicated that those expanded authorities save significant time, much of which could be redirected toward actively conducting research.

In 2005 and in 2012, the FDP conducted faculty workload surveys of principal investigators of federally funded research to document the continuing impact of federal regulations and requirements on the research process. The 2012 survey reached almost twice as many investigators as the first survey, accumulating responses from almost 13,500 principal investigators with active research grants funded by the federal government. The results from both surveys were astonishingly similar. Researchers estimated that an average of 42 percent of their research time associated with federally funded projects is spent on meeting administrative requirements rather than conducting active research. These findings

mirror those of the NSB survey and suggest that whatever progress may have been made in reducing administrative burdens has been countered by the introduction of new requirements.

The FDP's payroll certification demonstration is an example of how the FDP works to provide less burdensome alternatives to meeting regulatory requirements. With payroll certification, the focus shifts to certification cycles that coincide with project funding periods so principal investigators spend much less time trying to translate the extrapolated percentages of effort that are inherent with the disconnect between effort reporting and accounting cycles and project funding periods.

The Office of Management and Budget has published its Uniform Guidance, which combines the requirements of eight longstanding OMB circulars, including those impacting universities. The Council on Financial Assistance Reform must be commended for their laudable work at combining requirements for diverse grantees. However, one size fits all doesn't fit anyone well.

There are some positive changes in the Uniform Guidance as outlined in my written testimony. It remains unclear whether the Uniform Guidance will offer any demonstrable relief but it is clear that in some cases, certain requirements may exacerbate the administrative burdens that are already breaking the backs of universities and principal investigators. As an example, new procurement requirements more applicable to the government's acquisition of commodities may result in thousands of transactions for research supplies being delayed on average by two or more weeks at most institutions.

The FDP is perfectly positioned to provide a forum and test bed for exploring possibilities that will benefit our nation's research viability while shaping a more efficient and effective research enterprise.

I would like to close by expressing my sincere appreciation to the Committee and Congress for the continued support of academic research and your proposal to consider a holistic approach to reform. Thank you.

[The prepared statement of Dr. Wyatt Sedwick follows:]

Reducing the Administrative Workload for Federally Funded Research

Statement of

Susan Wyatt Sedwick, PhD, CRA
Chair, Federal Demonstration Partnership and
President, FDP Foundation

Before the

Joint Hearing of
Subcommittee on Research and Technology
and
Subcommittee on Oversight
Committee on Science, Space, and Technology
U.S. House of Representatives

June 12, 2014

Chairman, Rep. Paul Broun (R-GA) of the Oversight Subcommittee; and Chairman, Rep. Larry Bucshon (R-IN) of the Research and Technology Subcommittee, and Ranking Members Dan Lipinski (D-IL) and Dan Maffei (D-NY), my name is Susan Wyatt Sedwick. I am the chair of Phase V of the Federal Demonstration Partnership (FDP) and it is in that capacity that I am testifying. I also serve as president of the FDP Foundation. You will note from my curriculum vitae that I am an Associate Vice President for Research and Director of the Office of Sponsored Projects at The University of Texas at Austin. I appreciate the opportunity to appear before you today to provide an overview of the FDP's involvement over the past 25 years and our ongoing efforts to reduce the administrative burdens facing institutions and principal investigators that receive federal funding to conduct scientific research. You have asked me to address specifically the results of our 2005 and 2012 surveys assessing the administrative workload on principal investigators of federally-funded projects to determine the impact of federal regulations and requirements on the research process, and to describe the ongoing pilot demonstrations of an alternative to effort reporting currently underway at four FDP institutions. You have also asked me to provide some insights on the potential impacts on administrative workloads that may result from the implementation of the Office of Management and Budget's recently issued *Uniform Guidance on Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (2 CFR 200).

Federal Demonstration Partnership Overview

The Federal Demonstration Partnership (FDP) is an association of federal agencies and academic research institutions with administrative, faculty and technical representation that work together and with input from affiliated research policy organizations to streamline the administration of federally sponsored research. FDP members from all sectors cooperate in identifying, testing, and implementing new, more effective ways of managing federal research funding awarded to our institutions with the goal of improving the productivity of research without compromising its stewardship.

The FDP began in 1986 as the Florida Demonstration Project which was an experiment between five federal agencies (National Science Foundation, National Institutes of Health, Office of Naval Research, Department of Energy, and US Department of Agriculture) and the Florida State University System and the University of Miami to test and evaluate a grant mechanism utilizing a standardized and simplified set of terms and conditions across all participating agencies. The FDP is in the final year of Phase V and has evolved into an organization of 10 Federal agencies and an anticipated institutional membership exceeding 150 research institutions as Phase VI members. Each six-year phase has seen a growth in membership by more than 30 percent.

The stated mission of the FDP is to examine, improve and streamline the administrative processes involved in the competitive appointment, allocation and management of federal funds which support research activities at institutions of higher education throughout the country. This

supports the primary goal of streamlining with accountability to decrease researcher time focused on administrative requirements and to maximize the time available for research. We strive to have our scientists focused on the conduct of science, not administration. Detailed information on the successful projects completed by the FDP and our current initiatives can be found on the FDP website at thefdp.org. Some of the notable accomplishments of the FDP directly related to reducing administrative burdens are as follows.

- Expanded Authorities
- Governmentwide Standard Terms and Conditions
- Grants.gov Joint Application Design Team
- Faculty Burden Surveys (2005 & 2012) and Reports (2007 & 2014)
- FDP ARRA Administrative Survey and Report (2011)
- Financial Conflict of Interest (FCOI) Model Policy and FCOI Clearinghouse
- STAR METRICS Pilot Demonstration
- Grant Report Information Project (GRIP)
- IRB Practical Guide
- FDP Subaward and Subcontract Templates

The National Academy of Science's Government-University-Industry-Research Roundtable is the neutral convener of the FDP, housing all permanent staff support for FDP activities and committees, as well as providing logistical support for FDP meetings. The strategic direction of the FDP is guided primarily by the Executive Committee comprised of the federal and institutional co-chairs of each of our standing and operational committees. The FDP offers a unique forum for representatives from research institutions to work collaboratively with federal agency officials to improve the national research enterprise. The FDP meets three times per year and all meetings are open for registration and attendance by non-members. At its regular meetings, faculty, administrators, and information technology representatives from the member institutions talk face-to-face with decision-makers from agencies that sponsor and regulate research. Faculty input to our discussions is critical.

The Federal Demonstration Partnership is funded by dues paid by the institutional members and by grant funding provided to the Government-University-Industry Research Roundtable (GUIRR) from the following federal agencies: National Science Foundation, U.S. Department of Health and Human Services through its National Institutes of Health, U.S. Department of Defense, U.S. Department of Agriculture and the Environmental Protection Agency. Institutional funds are managed by the non-profit FDP Foundation and the federal grant funds are managed by GUIRR.

The FDP has enjoyed bi-partisan support since its inception. Senator Lawton Chiles (D-FL) was instrumental in the creation of the Florida Demonstration Project. Senator Chiles remained a stalwart supporter of the FDP throughout his tenure and urged several directors of the Office of Management and Budget to "assess the consequences of its actions – the cost and benefit aspects of changes – before making them."

In his August 7, 1987 address at Yale University, then Vice President George Bush lauded the successful efforts of the Florida Demonstration Project for its experimental efforts aimed at paring down bureaucratic accretion that he cited as analogous to the geological process of sedimentation stating, "Over time, the layers gradually solidify into nearly impenetrable rock – or in this case, red tape." He went on to admonish that while the federal government had a legitimate need to ensure that the taxpayers' money is spent appropriately, "in this context [research] accountability can best be achieved by vigorous review of the end product of the research, not by detailed budget controls and administrative micro-management that is oblivious to the research itself."

The FDP fully supports the rationalization that the federal government has a duty to ensure transparency, accountability and efficient use of federal research funding. The 26-percent cap on the **reimbursement** of administrative costs to universities has not kept pace with the growing regulatory burden. Please remember that direct and indirect costs are borne by the universities and reimbursed after-the-fact. The Council on Governmental Relations maintains a list of regulations impacting research at universities that have been implemented or significantly revised since the imposition of the cap over 20 years ago. That list includes over 80 new, revised or proposed regulatory requirements but does not include the extremely burdensome requirements associated with the American Recovery and Reinvestment Act (ARRA) funding. That list is attached as Exhibit A.

Administrative requirements on research impact the productivity and performance of researchers. University research administration offices strive to minimize the burdens of these regulatory requirements on researchers but even when principal investigators can be spared direct involvement with data collection and reporting, meeting those requirements consumes administrative resources that would be better spent providing support to principal investigators.

FDP Faculty Workload Survey

Background

Almost 20 years ago, the FDP surveyed federally-funded faculty researchers from FDP institutions to evaluate the worth of the approval of the *expanded authorities*. The expanded authorities evolved from a demonstration project developed and conducted by the FDP in which grantees were allowed to perform some actions without prior federal agency approval such as extending the final project period for up to 12 months. Over 2,500 faculty researchers responded to the survey. Results indicated that these new, more flexible policies saved significant time, much of which could be re-directed toward actively conducting research.

As noted above, a staggering number of new federal regulations have been added to the researcher workload. To be successful, researchers need to be focused on their efficiency and productivity. It is in researchers' best interests to be good stewards of research funding as their use of time and resources will ultimately impact their achievements as a scientist. Given this,

concerns were raised about the extent to which these additions may erode the time that faculty researchers have available to allocate to active research. In addition, changes in cost accounting standards no longer afford most researchers the option of using a portion of their direct costs to shift the ever-increasing administrative workload to administrative staff.

In 2005, the FDP conducted the first Faculty Workload Survey (see Decker et al., 2007; http://sites.nationalacademies.org/PGA/fdp/PGA_055749), which was completed by 6,295 federally-funded investigators from universities and research centers all across the country. Investigators estimated that as much as **42% of faculty research time** related to federal projects was spent completing tasks to fulfill research administrative requirements rather than actively conducting research. These findings have been a cause of great concern among both scientists (e.g., Lane & Bertuzzi, 2011; Leshner, 2008) and research administrators (e.g., Rockwell, 2009; Sedwick, 2009).

Current Findings

In early 2012, the FDP conducted a follow-up survey of principal investigators (PIs) of federally-funded projects to document the continuing impact of federal regulations and requirements on the research process. (For the full report, see www.thefdp.org). The 2012 survey reached almost twice as many investigators as the first, accumulating responses from 13,453 principal investigators with active federal grants from 111 (non-federal) FDP member institutions, including 42 public and 20 private "Very High Research" universities (per the Carnegie Classification System). In brief, the results suggest that no progress has been made.

Researchers still estimate that an average of **42% of their research time** associated with federally-funded projects is spent on **meeting administrative requirements** rather than conducting active research. These results suggest that whatever progress may have been made in reducing administrative burdens has been countered by the introduction of new requirements.

According to principal investigators' estimates, research time spent on obtaining and completing federally-funded projects is roughly divided as follows:

15.4%	**Proposal preparation activities:** Writing/submitting proposals and preparing budgets;
5.7%	**Pre-award administrative activities**: Applying for approvals, developing protocols, drafting security plans, etc.;
13.6%	**Post-award administrative activities**: Purchasing supplies/equipment, supervising budgets, managing project personnel, complying with regulations, monitoring safety/security plans, etc.;
7.6%	**Report preparation activities:** Writing/submitting required progress/final reports.
57.7%	**Active research**: Reviewing literature, designing studies, running experiments, collecting/analyzing data, writing up findings, presenting/publishing research, etc.

Proposal and Report Preparation. Proposal preparation was identified as the single most time consuming requirement associated with federal research funding. Researchers are routinely concerned about the immense time that proposal writing takes away from research. In open-ended responses, researchers were most concerned about the low cost-benefit ratio associated

with proposal writing. Since so few proposals are funded (typically 5-20%), the odds are high that the direct payoff will be nothing. Many report that this is by far the most unnecessarily time-consuming and ultimately most wasteful aspect of research-related workload. This is especially frustrating because much of proposal preparation has little or nothing to do with the content of the research.

Moreover, because a researcher's time devoted to preparing proposals is not supported by federal funds, the requirement can only be fulfilled through the investigator's institution-funded research assignment. This has become increasingly difficult given reductions in state funding. Even if the project is eventually funded, excess time spent on proposal preparation prevents actively engaging in research. For the 80% or more of proposals that are not awarded funding, the entire proposal-writing exercise undermines the researcher's ability to make progress on his or her program of research.

In addition, both proposals and progress/final reports typically involve extensive requirements and details that may not be necessary, or could at least be postponed until it is clear they will be useful. The excessive need for details across the various types of requirements could be reduced by removing redundancies, unnecessary or irrelevant information, inflexible response formats that often are not a good fit, and overly conservative measures aimed at rare problems, especially if the measures are not likely to ameliorate or prevent the problem. With regard to reports, researchers are especially concerned that the exercise is largely a waste of time in that their reports are rarely read or used, and no useful feedback is provided. Because researchers place a high priority on productivity, requirements that consume significant time and provide no benefit, such as quarterly rather than annual or project-end reporting, are considered especially egregious.

Pre- and Post-award Administrative Responsibilities. In addition to proposal and report preparation requirements, as many as **23 different types of pre- and post-award administrative responsibilities** were identified within the survey. Researchers reported having to manage an **average of 8.67 of these responsibilities** within the one-year time frame of the survey.

These responsibilities included:

Finances: Managing grant/contract budgets and expenditures;
Personnel: Personnel administrative issues (including hiring, managing, visas, evaluation);
Effort Reporting: Federal time and effort reporting, including training;
IRB: meeting federal human subjects research requirements;
HIPAA: meeting Health Insurance Portability and Accountability Act (HIPAA) requirements;
Clinical Trials: Responsibilities associated specifically with conducting clinical trials;
IACUC: meeting federal animal care and use requirements;
General laboratory safety/security (including laboratory inspections);
Biosafety (including biohazards and blood-borne pathogens);
Chemical safety (including chemical inventory management);
Recombinant DNA (i.e., DNA molecules formed by laboratory methods of genetic recombination);
Radiation safety (including radioisotopes);
Controlled substances/narcotics;
Subcontracts: Responsibilities associated with managing subcontracts to other entities
Intellectual Property (including patent/copyright applications, licensing agreements, invention, disclosures, Materials Transfer Agreements, etc.)
ARRA: Requirements associated with American Recovery and Reinvestment Act project funding

COI: meeting federal conflict of interest requirements;
Data Sharing: Meeting federal requirements for resource and data sharing;
RCR: meeting Responsible Conduct of Research requirements for trainees on federally funded projects;
Cross-Agency: Dealing with differences in requirements and forms across federal agencies;
Export controls (i.e., controls on exports of sensitive equipment, software and/or technology);
Select agents (i.e., agents/toxins with potential to pose a severe threat to public, animal or plant health);
Protected Critical Infrastructure Information (in Dept. of Homeland Security's PCII Program).

Federal project requirements associated with **finances, personnel, and effort reporting** were experienced by the vast majority of researchers and were among the most time-consuming responsibilities overall. For researchers engaged in projects that required human or animal subjects, however, the related **Institutional Review Board (IRB) and Institutional Animal Care and Use Committee (IACUC)** requirements were typically the most time-consuming. Other areas viewed as particularly time consuming were those involving clinical trials, subcontracts, and cross-agency differences. Since 2005, we observed increases in the proportion of respondents reporting substantial time devoted to federal project finances, personnel, and patent/copyright applications, with slight decreases in the proportion reporting substantial time required to meet HIPAA (Health Information Privacy and Accountability Act) requirements and to complete IRB training.

Although the priority is to reduce the amount of unnecessary workload, researchers estimated that **additional administrative assistance could reduce their time spent on administrative responsibilities by an average of 27%** (from an average of 42% to approximately 31%). In absolute terms, researchers estimated that with adequate administrative help an average of approximately **4 hours per week** might be reclaimed for active research.

Impact on Science. In open-ended comments, a large number of respondents explicitly voiced concern about the future of U.S. science, and the obvious disruption to research productivity that accompanies low funding rates and excessive administrative workload. Many are concerned about the competitive advantage being gained by countries that are focused on investing in research and shielding researchers from other demands. This concern is especially pronounced with respect to the research pipeline. Many respondents argue that there is a clear disincentive in the U.S. to work in scientific/medical fields, particularly in academia. The pressure to compete for ever-dwindling federal funding in order to build and maintain a research program, and the accompanying environment of uncertainty, is discouraging students at all levels from considering science as a career. The need to deal with excessive administrative workload makes research careers even less attractive.

Recommendations

Reducing the administrative workload associated with federally-funded projects is critical for increasing the efficiency and effectiveness of research. The current levels of administrative workload routinely reduce the ability of highly qualified scientists to focus on the content of their research. Different kinds of research are subjected to different amounts and types of administrative workload, suggesting that solutions may not be the same in all cases. Nevertheless the need for larger-scale solutions, in addition to more focused initiatives, is clearly evident by the growing frustration with the sense that valuable research time is being wasted, and that heavy administrative workloads coupled with the uncertainties of research funding are threatening the viability and attractiveness of research career paths.

Developing new processes and mechanisms to systematically prioritize efficiency and to take into account the costs of administering requirements is essential and will require a holistic approach. Accountability at all levels should include attention to the efficiency and cost/benefit ratio of requirements and their implementation. The FDP can play a key role in identifying potential efficiencies and in demonstrating the value of proposed solutions. Even with respect to larger scale issues, the FDP is ideally positioned to work with federal agency partners and member institutions to emphasize the value of:

(a) factoring in impacts on research quality and productivity when weighing the costs and benefits of research policies;
(b) strengthening research programs by minimizing distractions, interruptions, and an environment of uncertainty; and
(c) reducing disincentives for conducting research and following a research career path.

Many of the particular concerns that were pervasive throughout the survey are already weaved into the fabric of ongoing FDP initiatives. There are many suggestions that could already be tested on a large scale to demonstrate benefits in efficiency with no negative impact (and in some cases a positive impact) on effectiveness. Many of them have already been explored, but given the lack of emphasis on the costs of administrative requirements, there has often been no clear mechanism or incentive for adopting or even considering demonstrably more efficient options. These include:

Project Proposals:

- Use of simplified modular budgeting as utilized by the NIH or at the very least just-in-time budgets, IRB, and/or IACUC documentation, data management plans, etc., so details are only provided if the proposal is likely to be funded;
- Comparison of productivity from competitive versus non-competitive renewals to determine whether competitions for renewal add value worth the cost;
- Demonstration of feasibility, structure, and advantages of simplified or uniform application forms;

Project Finances:

- Reduced reporting, documentation, and/or monitoring for small expenditures/purchases;
- Streamlined approaches for justifying and tracking expenditures/purchases;
- Methods for combined optimization of administrative assistance and researcher oversight;
- Focused approaches to easing administrative workload associated with cost sharing, subcontracts, and project-related travel;

Human and Animal Subjects (IRB and IACUC) Requirements:

- Reduced reporting, documentation, and/or monitoring for low risk research;
- Streamlined approaches for completing, reviewing, and renewing protocols;
- Reduced reporting and documentation for benign modifications;
- Methods for dealing with multiple institution and international projects;
- Approaches to minimizing inconsistencies and redundancies in cross-agency and agency versus institution requirements.

Reducing unnecessary administrative workload will require collaborative efforts to identify potential efficiencies that preserve the intent of requirements. The FDP is perfectly positioned to provide a forum and testbed for exploring possibilities that will be mutually beneficial. With continued access to input from and interaction among researchers, administrators, federal agency representatives, and other interested parties, the FDP can uniquely contribute to shaping a more efficient and effective research enterprise.

FDP ARRA Administrative Impact Survey Report

The American Recovery and Reinvestment Act (ARRA) funding provided an unprecedented opportunity for researchers at colleges and universities to receive funding for critical initiatives and novel research ideas. These additional funds were accompanied by new administrative requirements and recipients were tasked in short term with developing complex reporting systems to comply. In 2011, the FDP published the results of a survey conducted to document the administrative impact of ARRA on institutional members of the FDP. **The administrative costs reported by respondents totaled $91.7M over the 4 year period, or $7,973 per ARRA award.**

Data included in the report represented facts and estimates provided from the member institutions via their FDP administrative representatives. It should be noted that under ARRA regulations, no funding was available to colleges and universities to reimburse them for the cost of complying with ARRA requirements. The full report can be accessed at http://sites.nationalacademies.org/PGA/fdp/PGA_058836. These results serve as just one example of the substantial unreimbursed costs incurred by an institution from a single regulation. These costs in conjunction with the added workload for researchers place substantial stress on an already overburdened system. This highlights yet again the need to weigh the costs along with the benefits of additional regulations.

FDP Payroll Certification Demonstration Pilot

Effort reporting has become the main method used by institutions of higher education to support confirmation of salary and wage expenses charged to federally sponsored projects as required in OMB Circular A-21. The underlying concept is that an individual's "effort" is the key to determining appropriate charges to federal projects. Effort reporting is based on measuring a percentage of an individual's effort which is difficult to measure, provides limited internal control value, is expensive to quantify, lacks timeliness, does not focus specifically on supporting direct charges, and is confusing when all forms of remuneration are considered.

Over the years, one of the guiding principles of effort reporting has been a complete reporting of all activities. Percentages of effort are reported for all activities and these percentages total 100 percent, indicating a complete accounting for all work activities in a given accounting period. To accomplish this reporting, effort reporting systems have been based on the individual, and not on the project.

The FDP has initiated a payroll certification demonstration as a less burdensome alternative to activity (effort) reporting. With payroll certification, the focus shifts to verification that all of the people who had compensation charged to the project did in fact work on the project and that the

charges to the project were reasonable in relation to the work performed. Certification cycles coincide with project funding periods so principal investigators spend much less time trying to translate the extrapolated percentages of effort that are inherent with the disconnect between effort reporting cycles and project funding periods.

Currently, pilot payroll certifications have been completed at George Mason University, The University of California-Irvine, The University of California-Riverside and Michigan Technological University. All four campuses have reported significant improvement in the efficiency of the administrative process and more effective oversight of compensation charged to federally funded projects. Audit field work of this pilot was conducted by the U.S. Department of Health & Human Services (DHHS) and National Science Foundation (NSF) Inspector Generals in 2013/2014b. Audit reports from DHHS IG and NSF IG are anticipated later this year.

Uniform Guidance

The Office of Management and Budget (OMB) published its final guidance entitled *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) in the Federal Register on December 26, 2013. The Uniform Guidance combines the requirements of eight longstanding OMB circulars including those impacting universities. The Council on Financial Assistance Reform (CoFAR) must be commended for their laudable attempt at balancing the need to protect against fraud, waste and abuse while streamlining processes associated with the awarding of federal funding and easing the administrative burden on diverse grant applicants – universities, tribal entities, and state and local governments. However, this "one size fits all" approach does not result in a good fit for anyone.

The Uniform Guidance was issued as final guidance without further opportunity for comments and will be effective one year from its publication on December 26, 2014. Federal agencies were given one year to implement the new uniform guidance leaving both federal and university representatives scurrying to interpret the guidance. The FDP has initiated a dialogue among university and federal agency representatives aimed at assessing the impact of the uniform guidance.

It is clear that the Uniform Guidance will require changes to institutional policies, procedures and practices and in response to some requirements, costly information systems and policy revisions. While the National Science Foundation has published for public comment its implementation plan, it is anticipated that most other agencies will not follow suit and the implementation plans will be issued collectively by OMB on December 26, 2014 as Interim Final Guidance. This forces universities to forge forward with implementation strategies that are based on assumptions. Sailing blindly into dark seas is never advisable.

There are some positive changes in the uniform guidance: prohibitions on consideration of voluntary cost sharing, the elimination of the example of effort reporting, requirements that federal agencies reimburse universities at their full negotiated rates, and changes to the allowability for charging computing devices and administrative support as direct costs.

It remains unclear whether the uniform guidance will offer any demonstrable relief but in some cases, certain requirements will exacerbate the administrative burdens that are already breaking the backs of universities and principal investigators. Moreover, some changes will clearly have a negative impact on the performance and productivity of research. As an example, new procurement requirements more applicable to the acquisition of unit items (widgets) may result in thousands of transactions (research supplies) being delayed by two or more weeks each. The major areas of concerns of the FDP are outlined in white papers posted on the FDP website at thefdp.org .

Summary

It is clear that addressing this problem cannot be accomplished through an incremental, piecemeal approach and if Congress is serious about ensuring the health and well-being of the research enterprise, it is going to require a bold approach of wide-scale overhaul. The basic tenets that must be addressed were penned by the father of the National Science Foundation, Vannevar Bush, in his report, Science – The Endless Frontier.

- *To serve effectively as the centers for basic research, institutions must be strong and healthy.*
- *There must be stability of funds over a period of years so that long-range programs may be undertaken.*
- *To secure a high level of employment, to maintain a position of world leadership – the flow of new scientific knowledge must be continuous and substantial.*
- *We must remove the rigid controls which we have had to impose, and recover freedom of inquiry and healthy competitive scientific spirit.*
- *Leave the internal control of policy, personnel, and the method and scope of the research to the institutions themselves. This is of the utmost importance.*

Thank you for your time, attention and consideration of this written testimony. The Federal Demonstration Partnership would welcome the opportunity to support your efforts.

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Reducing the Administrative Workload for Federally Funded Research

Statement of

Susan Wyatt Sedwick, PhD, CRA
Chair, Federal Demonstration Partnership and
President, FDP Foundation

Before the

Joint Hearing of
Subcommittee on Research and Technology
and
Subcommittee on Oversight
Committee on Science, Space, and Technology
U.S. House of Representatives

June 12, 2014

Exhibit A
Federal Regulatory Changes, Since 1991

COUNCIL ON GOVERNMENTAL RELATIONS
1200 New York Avenue, N.W., Suite 750, Washington, D.C. 20005
(202) 289-6655/(202) 289-6698 (FAX)

Federal Regulatory Changes, Since 1991

The regulations listed below have been implemented or amended since the imposition of the 26 per cent cap on administrative costs in the Facilities and Administrative Cost recovered under OMB Circular A-21. The listed regulations directly affect the conduct and management of research under Federal grants and contracts. The list of current regulations is in chronological order. Significant changes in the implementation or interpretation of regulations or management processes are listed below in a separate section. The list concludes with significant proposed regulations. ***This list does not include the reporting requirements associated with the American Recovery and Reinvestment Act (ARRA) funding support.***

Federal Policy for the Protection of **Human Subjects (Common Rule**, 1991)
Nonindigenous **Aquatic Nuisance Prevention & Control** Act of 1990(Implemented, 1992)
NIH Guidelines for Research Involving **Recombinant DNA** Molecules (1994)
Deemed Exports (1994, EAR & ITAR)
DFARS Export Control Compliance Clauses (2010)
Conflicts of Interest
Public Health Service/NIH Objectivity in Research (1995; Amendments August 2012)
NSF Financial Disclosure Policy (1995)
Lobbying Disclosure Act of 1995 (Amended 2007; 2013)
Cost Accounting Standards **(CAS)** in OMB Circular A-21(1995)
Health Insurance Portability & Accountability Act of 1996 (**HIPAA**) Privacy Rule (Amendments January 2013)
OMB Elimination of **Utility Cost Studies** (UCA) (1998)
Data Access **/Shelby Amendment** (FY 1999 Omnibus Appropriations Act); related amendments to OMB Circular A-110
Policy on Sharing of **Biomedical Research Resources** (NIH, 1999)
Misconduct in Science (Federalwide Policy, 2000)
NEH, 2001
NSF, 2002
EPA, Directive, 2003
Labor, 2004
HHS/PHS, 2005
NASA, 2005
Energy, 2005
Veterans Affairs, 2005
Education, 2005
Transportation, 2005
USDA, 2010
HHS Centers for Medicare and Medicaid Services **(CMS) National Coverage Determination for Routine Clinical Trials** (Clinical Trials Policy), 2000
Health and Human Services/FDA **Clinical Trials Registry** (2000, Food and Drug Administration Amendments Act of 2007; Mandated Reporting, 2008)
Executive Order 13224, Blocking Property and Prohibiting **Transactions With Persons** Who Commit, Threaten to Commit or **Support Terrorism** (September 2001, also EO 12947, 1995)

Select Agents & Toxins (under CDC and USDA/APHIS) Public Health Security & Bioterrorism Preparedness & Response Act of 2002; companion to the USA PATRIOT Act (2001); revised October 2012

FISMA Federal Information Security Management Act (Title III, E Government Act of 2002) OMB Circular A-130, Management of Federal Information Resources, Appendix III, **Security of Federal Automated Information Systems**

CIPSEA Confidential Information Protection and Statistical Efficiency Act (OMB Implementation Guidance 2007, Title V, E Government Act of 2002)

Data Sharing Policy (NIH, 2003)

Homeland Security Presidential Directive **(HSPD) – 12**, Common Identification Standards for Federal Employees and Contractors (2004)

Higher Education Act, Section 117 **Reporting of Foreign Gifts, Contracts and Relationships** (20 USC 1011f, 2004)

Model Organism Sharing Policy (NIH, 2004)

Constitution & Citizenship Day (2005, Consolidated Appropriations Act FY 2005)

Genomic Inventions Best Practices (2005)

Office of Management & Budget **Guidance for Governmentwide Debarment and Suspension [Nonprocurement]** (2CFR Part 180, 2006) Consolidation of agencies' Governmentwide Debarment & Suspension Common Rule (2003).
Federal Acquisition Regulations [FAR] **Flowdown of Debarment/Suspension to Lower Tier Subcontractors** (December 2010; amendment to FAR Subpart 9.4)

Combating **Trafficking** in Persons (2008)

Code of Business Ethics & **Conduct** (FAR 2008)

Homeland Security **Chemical Facilities Anti-Terrorism Standards (CFATS)** (2008)

E-Verify (2009)

Military Recruiting and ROTC Program Access (2008, Solomon Amendment, National Defense Authorization Act for FY 2005)

Nuclear Regulatory Commission Order Imposing **Fingerprinting and Criminal History Records Check** Requirements for Unescorted Access to Certain Radioactive Materials (Feb 2008, Section 652, Energy Policy Act of 2005)

National Institutes of Health **Public Access Policy** (2008, Consolidated Appropriations Act of 2008, Division G, Title II Section 218)

Certification of Filing and Payment of Federal Taxes (Labor, HHS, Education and Related Agencies Appropriations Act of 2008, Division G, Title V, Section 523)

National Institutes of Health Policy for **Genome-Wide Association Studies** (GWAS, 2008)

Federal Funding Accountability and Transparency Act **(FFATA) Executive Compensation and Subrecipient Reporting** (2006) (FAR, July 2010; OMB Open Government Directive, April 2010)

USAID **Partners Vetting System** (re: EO 13224 et al re: terrorist financing 2009; Extension to Acquisitions, 2012)

National Institutes of Health **Guidelines for Human Stem Cell Research** (2009)

National Science Foundation **Post-Doctoral Fellows Mentoring** (America COMPETES Act 2006; implemented 2009)

Executive Order 13513, Federal Leadership on Reducing **Text Messaging** While Driving (October 2009)

National Science Foundation **Responsible Conduct of Research** Training (America COMPETES Act 2006; implemented 2010)

National Science Foundation **Public Outcomes Reporting** (America COMPETES Act 2006; implemented 2010)

Federal Acquisition Regulations (FAR) and Office of Management & Budget **Federal Awardee Performance and Integrity Information System (FAPIIS)** and **Guidance for Reporting and Use of Information Concerning Recipient Integrity and Performance** (2010,2012) (Compliance with § 872, National Defense Authorization Act of 2009, PL 110-417; as amended, 2010)

National Institutes of Health, **Budgeting for Genomic Arrays** for NIH Grants, Cooperative Agreements and Contracts (2010)

Homeland Security/Citizenship & Immigration Services **I129 Deemed Export Certification for H1B Visitors** (November 2010; implementation postponed to February 2011)

Nuclear Regulatory Commission – Statement concerning the Security and **Continued Use of Cesium-137 Chloride Sources** (July 2011)

America Invents Act 2011 **Patent Regulatory Changes** (2012): Implementation of First Inventor to File System; Inventor Oath or Declaration; 3rd Party Submission of Prior Art; Citation of Prior Art; Statues of Limitation for Disciplinary Actions; Supplemental Examination; Post-Grant Review

NASA/OSTP **China Funding Restrictions** (2012, Under PL 112-10 § 1340(2) & PL 112-55 § 539)

US Government Policy for the Oversight of Life Sciences Dual Use Research of Concern (March 2012)

NIH, Mitigating Risks of Life Science Dual Use Research of Concern (2013)

Food and Drug Administration **Reporting Information Regarding Falsification of Data** (April 2012)

National Science Foundation **Career-Life Balance** Initiatives (2012)

Gun Control, Prohibition on Advocacy & Promotion (Consolidated Appropriations Act of 2012 – PL 112-74, Sec 218)

Office of Science and Technology Policy (OSTP), **Increasing Access to the Results of Federally Funded Scientific Research** (February 2013)

Defense/DFAR **Safeguarding of Unclassified Controlled Technical Information** (November 2013)

OMB/COFAR **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (December 2013)

Implementation/Interpretation that Changes Business Practices, Since 1991

Foreign Nationals (See COGR/AAU/FDP Troublesome Clause Report, 2008[1])

Publication Restrictions (see COGR/AAU/FDP Troublesome Clauses, 2008)

PL 106-107/Grants.gov: Electronic Applications, Financial Reporting, Progress Reports, iEdison Invention Reporting, etc.

CCR/DUNS Registry requirements (Subrecipients implemented 2010)

Research Performance Progress Report (RPPR) (January 2010)

Federal Financial Reporting (FFR) (2011)

Subrecipient Monitoring (OMB Circular A-133, Compliance Supplement)

Changes to A-21 **F&A Proposal Format**

Federal Policy for the Protection of Human Subjects:

Federalwide Assurance (2004), mandatory training

IRB Registration (2008)

Proposed Changes (2011, see below)

[1] The Report is available at: www.cogr.edu/docs/COGRAAUTroublesomeClausesReport.pdf

Title IX of Education Amendments of 1972: Access to science and math educational programs (2007+)
EPA **Hazardous Waste**, Subpart K (2008)
IRS **990 Reporting**
National Institutes of Health Trainee **Instruction in the Responsible Conduct of Research** (1989; 1994; Updated 2009)
Health & Human Services, Office of Grants and Acquisition Policy and Accountability **Guidance Regarding Funding of Contracts Exceeding One Year of Performance** (APM 2010-01, June 2010)
National Science Foundation, **Data Sharing Policy** (Updated 2011)
National Institutes of Health Implementation of the 2011 8th Edition of the National Academy of Sciences **Guide for the Care and Use of Laboratory Animals** (January 2012)
Export Controls: Export Administration Regulations (EAR) & International Traffic in Arms Regulations (ITAR) Reform (2013 Implementation)
Defense Federal Acquisition Regulations 252.204--**7000 Disclosure of Information** Clause Revised (2013)
National Institutes of Health, **Costing of Core Facilities** (2013)
National Institutes of Health Implementation of the American Veterinary Medical Association **Guidelines for Euthanasia**, 2013 Edition (2013)
National Science Foundation **Award Cash Management Service** (2012)
National Science Foundation Revised **Merit Review Criteria** (2013)
National Institutes of Health **Payment Management System Sub-Accounts** (2013)
OMB/COFAR **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (December 2013)

Significant Proposed Changes

Food and Drug Administration **Requirements for an Investigative New Drug (IND)** covering food and plants claiming therapeutic benefit
USDA **Animal Welfare Act, Contingency Planning** (2008)
FAR **Organizational Conflicts of Interest** (NPRM April 2011)
HHS Office for Human Research Protections **Human Subjects Research Protections: Enhancing Protections for Research Subjects and Reducing Burden, Delay and Ambiguity for Investigators**; proposed changes to 45 CFR 46 Subpart A (ANPRM, September 2011)
FAR **Privacy Act Training** (Proposed 2011)
OSTP **US Governmental Policy for Institutional Oversight of Life Sciences Dual Use Research of Concern** (Proposed February 2013)
National Institutes of Health **Genome Data Sharing Policy** (September, 2013)

Susan Wyatt Sedwick, Ph.D., CRA
Chair, Federal Demonstration Partnership
President, FDP Foundation

Dr. Susan Wyatt Sedwick is chair of Phase V of the Federal Demonstration Partnership (FDP), a cooperative initiative among 10 federal agencies and 119 institutional recipients of federal funds who work collaboratively to reduce the administrative burdens associated with research grants and contracts. She has also served the FDP as co-chair of membership, on the strategic planning and Phase V transition committees and as co-chair of the STAR METRICS pilot demonstration.

Dr. Sedwick is an associate vice president for research and director of the Office of Sponsored Projects at The University of Texas at Austin, where she is responsible for both pre- and post-award financial administration units with oversight of approximately $600 million in annual sponsored projects awards. She is also a clinical professor in the Department of Educational Administration for the Higher Education Administration Program at The University of Texas at Austin and an adjunct professor for Rush University in Chicago. She received her Ph.D. in educational administration with an emphasis on higher education administration from Texas A&M University, and is a Certified Research Administrator (CRA). She is a frequent speaker on the topic of development of research administration professional, research data security and export controls as they apply to universities. She authored the chapter on export controls included in the NCURA/AIS publication, *Sponsored Research Administration: A Guide to Effective Strategies and Recommended Practices*.

Dr. Sedwick serves on the Board of Directors for the Council on Governmental Relations (COGR), on the Research Compliance and Administration Committee and has served as chair of the export controls working group. She previously served on the COGR nominating committee and Contracts and Intellectual Property Committee. She received the National Council of University Research Administrators (NCURA) Distinguished Service award in 2012 and has served that organization as an at-large representative to the Board of Directors and as chair of the Professional Development Committee. She has also served as a member of the Nominating and Leadership Development Committees. In 2014 she received the NCURA Region V Distinguished Service Award. She is frequently engaged as a workshop and webinar faculty member and presenter at both regional and national meetings for NCURA and the Society for Research Administrators (SRA). She currently serves on the National Science Foundation's Business and Operations Advisory Committee.

Dr. Sedwick is a graduate of Leadership Texas and is a past trustee for the Texas A&M University-Kingsville Foundation. She was recognized as the 2012-2013 distinguished alumnae in the Texas A&M University-Kingsville Dick and Mary Lewis Kleberg College of Agriculture, Natural Resources and Human Sciences Hall of Honor.

Chairman BROUN. Thank you. Dr. Sedwick.

Now, Dr. Lee-Glauser, you are recognized for five minutes. Thank you.

**TESTIMONY OF DR. GINA LEE-GLAUSER,
VICE PRESIDENT FOR RESEARCH,
SYRACUSE UNIVERSITY, OFFICE OF RESEARCH**

Dr. LEE-GLAUSER. Thank you. Chairmen Broun and Bucshon, Ranking Members Maffei and Lipinski, and distinguished Members of the Subcommittees. Thank you for the invitation to testify at this joint Subcommittee hearing. It is both timely and important in light of the recently released reports on administrative burden. I will discuss the role and impact that federal research regulations have on Syracuse University and our principal investigators and comment on select recommendations of National Science Board's administrative burdens report most relevant to SU.

My remarks will focus on three topics: the application process, research subjects' protections and progress reporting.

Syracuse University is a member of the FDP and we have participated in its administrative burden surveys. With and through the FDP, we strive to put our limited resources to their best use in support of research. Time perhaps is the most precious resource of our faculty and staff and we all share in the responsibility to identify and implement processes that efficiently and effectively allow us to achieve our goals of supporting research without compromising our accountability to sponsors' requirements, the safety and well-being of research participants or the welfare of our nation and the environment.

The question we are all grappling with is, how best to achieve these ends. Complicating our collecting efforts is the construction in federal support for research. As a consequence, Syracuse University faculty members are submitting greater numbers of proposals in order to just get one application funded. The success rates of the research programs to which SU faculty apply including the NSF and NIH are now in the single digits. So, our faculty are spending considerable time rewriting applications for the next cycle. Disturbingly, there is likely no meaningful difference in quality or the potential impact between the funded applications and the next tier of non-funded applications. So in addition to the time lost for our researchers, the pace of innovation and of knowledge creation is delayed.

This discouraging state of competitive funding also is having a chilling effect on our students. I am passionate about supporting students from the groups underrepresented in the academy and STEM disciplines as you do. I have directly observed the stifling effect that the current funding environment is having on these students' career plans. Every day they see their advisors cope with the stress caused by an uncertain funding environment and the challenges in successfully achieving work-life balance and so most are choosing to pursue non-academic careers. This is a tragedy for research institutions that desperately need the diversity of thought and experience that these exceptionally talented individuals bring.

The NSB has recommended a number of ways to streamline the proposal submission process. I support them and would suggest an-

other, that research granting agencies be required to use the Grants.gov portal or system like FASTLANE. Public Law 106–107, the Federal Financial Management Assistance Act of 1999, created the foundation for Grants.gov. It expired in 2007, perhaps enabling the proliferation of new grant application systems.

A second burdensome area for SU faculty pertains to adhering to regulations governing human and animal subjects. These regulations importantly protect the rights of research subjects and ensure that the risks and benefits are assessed and managed appropriately. Human subjects' research at Syracuse is predominantly social or behavioral in nature and so is ordinarily of low risk. However, current federal regulations do not yet provide a clear framework to more efficiently oversee this lower-risk research. SU supports the Board's recommendations to address this issue as well as similar changes to animal use procedures.

Lastly, I know that submission of research progress reports is often a pain point for my faculty. We look forward to the efficiencies expected from the federal-wide implementation of the Research Performance Progress Report. Like all new tools, we know that there will be hiccups along the way, but the willingness of our federal research sponsors to work in collaboration with the FDP and the grantee community to further enhance these reporting tools will go a long way to reducing administrative burden on our faculty.

I would like to close with a few remarks about the recently released OmniCircular. Syracuse, like other research universities, is currently evaluating the impact of the Circular's new provisions on our current policies and procedures. We view this as an opportunity to identify and implement reengineered processes that will allow us to more efficiently and effectively use federal funds in support of research. We are also closely monitoring agency implementation of these regulations, with the hope that there will be very few deviations from the provisions. I ask this Committee's help in avoiding the introduction or enactment of new legislation that would result in additional grant-related requirements on an agency and the grantees.

I thank the Committee for taking a leadership role on this important topic and I would be happy to answer any questions you may have. Thank you.

[The prepared statement of Dr. Lee-Glauser follows:]

Reducing the Administrative Workload for Federally Funded Research

Statement of

Gina Lee-Glauser, PhD
Vice President for Research
Syracuse University

Before the

Joint Hearing of
Subcommittee on Research and Technology
and
Subcommittee on Oversight
Committee on Science, Space, and Technology
U.S. House of Representatives

June 12, 2014

Chairmen Broun and Bucshon, ranking members Maffei and Lipinski, and distinguished members of the subcommittees.

I am Gina Lee-Glauser, Vice President for Research at Syracuse University and I have been actively engaged in research development and administration for more than 20 years. Thank you for the invitation to testify at this joint subcommittee hearing; it is both timely and important especially in light of recent reports on the administrative burdens of research on faculty as well as the OmniCircular, recently released by the Office of Management and Budget.

I will discuss the role and impact of some federal regulations on Syracuse University's research environment and our principal investigators, and select recommendations of the National Science Board's report, *Reducing Investigators' Administrative Workload for Federally Funded Research* most relevant to SU. My remarks will focus on three topics: the application process; research subjects' protections; and progress reporting.

Syracuse University is a member of the Federal Demonstration Partnership (FDP) and we participated in its administrative burdens survey. With and through the FDP, we are proud of our commitment to and participation in activities designed to develop and implement best practices that will reduce the administrative burden on faculty and others in the research enterprise. Our goal here is to put our limited resources to their best use to benefit our faculty, their research efforts, and society.

Time is perhaps our faculty and staff members' most precious resource, and we all share in the responsibility to identify and implement processes that efficiently and effectively allow us to achieve our goals of supporting research to accomplish its many benefits without comprising accountability to a sponsor's requirements, the safety and well-being of research participants, and the welfare of our nation and the environment. The question we are all grappling with is: how best to achieve these ends?

Complicating our collective efforts is the constriction in federal research funding. At Syracuse our principal investigators are spending considerable time revising and resubmitting applications in order to get just one application funded. The success rates of research programs to which SU faculty apply, including the National Science Foundation and the National Institutes of Health, are now in the single digits. Disturbingly there is likely no meaningful difference in quality or the potential impact between funded applications and the next tier of non-funded applications. So in addition to the time lost by researchers in preparing revised applications, the pace of innovation and of knowledge creation is delayed.

This discouraging state of competitive funding also is having a chilling effect on our students. I am passionate about supporting students from groups underrepresented in the academy and STEM disciplines. I have directly observed the stifling effect that the current funding environment is having on these students' career plans. Every day, they see their advisors cope with the stress caused by an uncertain funding environment and the challenges in successfully achieving work / life balance. And so, most are choosing to pursue non-academic careers. This is a tragedy for research institutions that desperately need the diversity of thought and experience that these exceptionally talented individuals would bring.

Although I stand with my colleagues in the research community to advocate for increased funding, we can be making steps to improve the application process. A complementary solution proposed by the National Science Board is to harmonize proposal components. For example, biographical information should be harmonized across agencies. However, we seem to be going in the opposite direction. The

National Institutes of Health has initiated a pilot for a new biographical sketch format that requires researchers to describe up to five of their most significant contributions to science along with the historical background that framed their research. This is in addition to their publications, honors and appointments and personnel statement. This new requirement, as does the personal statement, complicates the efficient development of a biographical sketch. We encourage the exploration of SciENcv or other similar approaches to more efficiently develop biographical sketches containing between 10 to 15 peer-reviewed publications or research products and other standard information that can be systematically obtained and easily maintained.

Another recommendation for the grant application process is to require all research-granting agencies to use the Grants.gov portal or a system like FASTLANE. Public Law 106-107, the Federal Financial Management Assistance Act of 1999, created the foundation for Grants.gov; this law expired in 2007 perhaps enabling the proliferation of a new crop of grant application systems. Although agencies' research missions may differ, the structure and content of research grant applications are more similar than dissimilar. A more consistent means of applying for grants with standard core components and modular budgets would help reduce administrative burden for faculty as well as support staff.

I also strongly support the Board's recommendation for expanded use of Just-In-Time approaches by all federal agencies, modeled after those used by the National Institutes of Health. This would include documentation of human or animal subjects approvals, evaluation of financial or other overlap, or other information not required to determine proposal merit, but essential for award negotiations or processing.

A second burdensome area for SU faculty pertains to the regulations governing human and animal subjects' protections. These regulations importantly protect the rights of research subjects and ensure that the risks and benefits are assessed and managed. Human subjects' research at Syracuse is predominantly social or behavioral in nature, and so is ordinarily of low risk. Current federal regulations do not yet provide a framework to more efficiently manage the review and oversight of these lower risk research protocols. Human subjects' regulations are stated as the 'minimum' expectation, and often accrediting bodies require much higher standards for documentation. To the best of my knowledge, there has been little work rigorously examining the benefits of this additional oversight to the actual protections of human subjects especially those participating in low risk research.

Similarly the process to document and evaluate the use of animals in research could be more efficient. As noted in the Board's report, the required literature review to determine if alternatives to the use of animals exist is of little practical benefit, and has simply become an exercise for faculty and IACUC members to 'check the box.' However, time spent responding to this requirement, is time unavailable for other more meaningful research activities. But in our current system, failure to 'check the box' will result in a finding that has no bearing on the actual protections for or reductions in use of animals in research.

Lastly I know that submission of research progress reports is often a 'pain point' for my faculty. I look forward to the efficiencies expected from federal-wide implementation of the Research Performance Progress Report. Like all new tools, we know that there will be hiccups along the way, but I appreciate the willingness of our federal research sponsors to work in collaboration with the FDP and the grantee community to further enhance these reporting tools and so reduce the administrative burden on faculty.

I would like to close with a few remarks about the recently released OmniCircular. Syracuse, like other research universities, is currently evaluating the impact of new provisions on our current policies and procedures. We view this as an opportunity to identify and implement re-engineered processes that will allow us to more efficiently and effectively use federal funds in support of research. We are also closely monitoring agency implementation of these regulations, with the hope that there will be very few deviations from the provisions. To that end, I ask this committee's help in avoiding the introduction or enactment of new legislation or regulations that would result in additional grant-related requirements on an agency and its grantees.

I thank the committee for taking a leadership role on this important topic and I would be happy to answer any questions you may have.

Gina Lee-Glauser
Syracuse University
leeglaug@syr.edu

Gina Lee-Glauser received her B.S. and M.S. in Mechanical and Aerospace Engineering from University at Buffalo, and a Ph.D. in Mechanical and Aeronautical Engineering from Clarkson University. She conducted her postdoctoral work at NASA Langley Research Center under the National Academies National Research Council Research Associate program. She is currently Vice President for Research at the Syracuse University.

In her current position as Vice President for Research (VPR), Dr. Lee-Glauser has responsibility for all of the central resources of Syracuse University that are directed to the support of research and research integrity. The VPR is also responsible for the articulation and implementation of all University policies regarding scholarly inquiry, sponsored programs, intellectual property, and research integrity. Her office is responsible for the development of research and research funding, for the administration of grants processing, for the negotiation of research contracts, and supporting the intellectual property management that may be created in the scholarly activity of members of the University community as well as responsible for the University's program in support of the protection of human and animal research subjects. She administers the University's policies on research misconduct, conflict of interest, and intellectual property.

She proactively facilitates university-wide multidisciplinary activities and collaborative interactions between University and industry thereby accelerating the transfer of University knowledge to industry to spur innovation and enhance economic impact.

Dr. Lee-Glauser is a key leader in the university-wide initiative for broadening STEM Pathway participation of underrepresented and minority students.

Chairman BROUN. Thank you, Dr. Lee-Glauser.
Now, Ms. Lerner, you are recognized for five minutes.

**TESTIMONY OF THE HON. ALLISON LERNER,
INSPECTOR GENERAL,
NATIONAL SCIENCE FOUNDATION,
OFFICE OF INSPECTOR GENERAL**

Ms. LERNER. Thank you, Mr. Chairman. I appreciate the chance to discuss the National Science Foundation Office of Inspector General's perspective on the National Science Board report, Reducing Investigators' Administrative Workload for Federally Funded Research, our audits of the Federal Demonstration Partnership pilot effort reporting systems and the comments our office provided the Office of Management and Budget during its creation of the Uniform Guidance on Administrative Requirements, cost principles and audit requirements for federal awards. Because both the NSB report and the Uniform Guidance address the need for changes to the effort reporting process, I will begin with that issue.

Every year, billions of dollars in federal funds are spent for salary cost of individuals who work on federal grants. Labor effort reports are essential documents for ensuring accountability of grant funds as they represent the main support for salaries and wages charged under those awards. Over the years OIG auditors and investigators have repeatedly found that not all of these charges are appropriate, and some are even fraudulent. My office has had numerous investigations involving university grantees that have failed to adequately track time and effort. The cases that have been resolved to date have resulted in criminal convictions, civil settlements under the False Claims Act, and government-wide suspensions and debarments. In many cases, those outcomes would not have been possible without effort reports.

As part of the Federal Demonstration Project, labor effort pilots of universities' payroll distribution systems are underway at four universities. My office and the HHS Office of Inspector General are auditing those pilots, and we hope to complete our work by the end of the calendar year.

The NSB report on administrative burden identified effort reporting as a top area of concern and recommended that OMB identify a way for the piloted approaches to be used by universities and accepted by OIGs. We appreciate the fact that the report recognized the importance of having the pilots audited, and I look forward to discussing the results of those audits when they are complete.

The NSB report also made findings about administrative burden resulting from financial management, noting several audit folks' concerns. It is unclear to me what the respondents meant when they indicated that auditors were exceeding requirements. Most grant-related audit work conducted by OIG would use OMB circulars or the Uniform Guidance as criteria and be conducted in accordance with audit standards, which should contribute to consistency in audit approaches. I would be happy to facilitate a dialog between the grantee and the IG communities to obtain greater insights on this issue.

The report also urged universities to consider requiring receipts only for large purchases. While it is hard to see that requiring re-

ceipts for purchases made using federal funds imposes a substantial burden, the lack of such receipts would have an immediate and detrimental impact on both an institution's and an OIG's ability to detect and prosecute fraudulent purchases. Requiring receipts only for large purchases would not provide protection for the not infrequent situations where individuals make many small fraudulent purchases with grant funds that eventually add up to a great deal of money.

Finally, to put the impact of audits in perspective, it is important to recognize that most institutions are not audited by OIGs on a regular basis. NSF funds approximately 2,000 universities, colleges and institutions annually. Due to size and resource constraints, my office conducts fewer than 20 audits of such recipients each year.

With respect to the Uniform Guidance, our office led an IG community working group that worked diligently to ensure that the right balance between reducing burden and maintaining accountability was struck. The OMB circulars include many tools essential for combating fraud, waste and abuse. Using these tools, OIGs have identified situations where recipients have misused grant dollars and been able to pursue criminal, civil and administrative actions to recover those funds. The feedback we provided to OMB highlighted the importance of maintaining and not diminishing or eliminating valuable tools such as effort reports, cost accounting standards and disclosure statements, certifications and Single Audits.

Unlike contracts, the federal government has little insight into how grant funds are used by awardees. It is therefore essential that tools like IG audits and Single Audits, which are used to ensure accountability over federal funds, remain robust and provide sufficient oversight.

While we recognize the need for a reasonable amount of flexibility to limit administrative burden, acceptance of public money brings with it a responsibility to uphold the public trust. NSF awardees must never forget that they are spending the public's money and that they will be held accountable for using that money for its intended purpose.

Thank you for the opportunity to testify, and I would be happy to answer any questions.

[The prepared statement of Ms. Lerner follows:]

STATEMENT OF ALLISON C. LERNER
INSPECTOR GENERAL
NATIONAL SCIENCE FOUNDATION
BEFORE THE
HOUSE SCIENCE OVERSIGHT SUBCOMMITEE
HOUSE SCIENCE EDUCATION AND TECHNOLOGY SUBCOMMITTEE

Chairmen and Members of the Subcommittees, I appreciate this opportunity to the discuss the National Science Foundation Office of Inspector General's (OIG) perspective on the National Science Board (NSB) report, *Reducing Investigators' Administrative Workload for Federally Funded Research*; our audits of four Federal Demonstration Partnership (FDP) effort reporting system pilots; and the comments our office provided the Office of Management and Budget (OMB) during its creation of uniform guidance on administrative requirements, cost principles, and audit requirements for Federal awards. As accountability professionals, my office and the IG community are committed to striking the appropriate balance between reducing burden and maintaining proper accountability. To that end, we are focused on ways to ensure that that balance is maintained or strengthened, not diminished.

Background

For years, Federal cost principles, which govern what can and cannot be procured with Federal grant funds, as well as guidance related to administrative and audit requirements for such grants, were encompassed in eight separate circulars created and managed by OMB. The circulars served the valuable purpose of putting both Federal managers and awardees on notice of how Federal funds should be managed and expended.

The OMB circulars contain many tools essential to combating fraud, waste, and abuse. Using those tools, OIGs have identified situations where recipients have misused grant dollars and been able to pursue criminal, civil and administrative actions to recover those funds. Given their value to oversight professionals, the IG community has always paid close attention to efforts to change the circulars.

One of the most significant efforts to revise the circulars began in response to the February 2011 Presidential Memorandum on *Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments*, which directed OMB to work with Federal agencies, state and local governments, and other key stakeholders to evaluate potential reforms to Federal grants policies, with the goal of eliminating, to the extent permitted by law, unduly burdensome, duplicative, or low-priority requirements. As a result of that effort, in December 2013, OMB released new guidance, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2CFR 200)[1], which consolidated the eight existing grant

[1] Subsequently referred to as the Uniform Guidance.

circulars into one "omni-circular" in an effort to reduce both administrative burden for non-Federal entities receiving Federal awards and the risk of fraud, waste and abuse.

The same interest in streamlining regulations and reducing burden exemplified in the creation of the Uniform Guidance can be seen in the National Science Board's (NSB) March 2014 report, *Reducing Investigators' Administrative Workload for Federally Funded Research.* That report, prepared by the NSB's Task Force on Administrative Burden, built on previous assessments of burden conducted over the past decade. Using data obtained from over 3,000 individuals through a Request for Information (RFI) and from a series of roundtables conducted with over 200 faculty and administrators, the Task Force sought to identify Federal requirements that did not improve scientific or regulatory outcomes but rather resulted in wasteful Federal spending or loss of valuable research time. The report contains the Task Force's findings and details a number of policy actions aimed at modifying and streamlining inefficient requirements while retaining necessary oversight of federally-funded research.

As an OIG, my office is very concerned about striking the right balance between reducing burden and maintaining accountability. As a result, we established and led a Grant Reform Working Group composed of auditors, analysts, attorneys and agents from across the IG community that carefully followed and communicated with OMB as it worked to create the Uniform Guidance; I am happy to share our thoughts on that topic. I will also share my office's thoughts on the NSB report on administrative burden. Because both the Uniform Guidance and the NSB report addressed changes to the effort reporting process, I will begin my testimony with that issue.

To ensure efficient and effective performance by grantees that receive Federal funds, Federal agencies must have the ability to monitor and review how grantees spend the funds. While we agree that removing overly burdensome requirements could free up resources to put toward achieving the goals and objectives of each grant, relaxing the focus on financial stewardship and compliance with cost requirements is contrary to that objective. Properly accounting for and safeguarding Federal funds should not impede recipients' ability to achieve their programmatic goals.

NSF OIG's Perspectives on Changes to the Labor Effort Reporting Process

What are labor effort reports?

Historically, labor effort reports (sometimes referred to as time and activity reports) have been used as the main support for salaries and wages charged to Federal grants and contracts. Labor effort reports are generally prepared by an individual and show the amount of time that individual charged to the various activities on which he worked during the covered period, including one or more Federal grants or contracts. The individual and/or his direct supervisor, by signing the report, certify the accuracy of the time spent on certain activities.

How do labor effort reports promote accountability?

Every year, billions of dollars in Federal funds are used to cover salary costs of individuals who work on Federal grants. Labor effort reports are essential documents for ensuring accountability

over Federal grant funds, as they represent support for amounts charged for labor conducted under an award.

Over the years, OIG auditors and investigators have repeatedly found that not all such charges are appropriate—and some are even fraudulent. My office has had numerous investigations involving university grantees that have failed to adequately track time and effort, resulting in improper and unsupported charges to Federal grants and the misuse of grant funds. The cases that have been resolved, to date, have resulted in criminal convictions; civil settlements under the Civil False Claims Act and common law theories, with mandatory compliance programs monitored by the government; and government-wide suspensions and debarments. In many cases, those outcomes would not have been possible without certified effort reports.

As an example, we have had multiple investigations in which university personnel have simultaneously held full-time positions at universities in the United States and abroad without disclosing the dual employment to either university or to the Federal agencies funding their research. In one such case, the summer effort certifications maintained by the American university revealed that the Principal Investigator (PI) was certifying 100% effort on his NSF awards for several summers in a row, and thus receiving NSF-funded summer salary for his work, when he was in fact performing his paid position for an Italian university. The false summer effort certifications resulted in summer salaries being inappropriately funded by the NSF award, and we used those summer effort reports to support our recommendation to NSF that the PI be debarred government-wide. We would not have had the requisite evidence to use for the debarment recommendation but for those summer effort certifications.

In another case, a PI on a Small Business Technology Transfer (STTR) award maintained his full-time position with a university despite his repeated certifications to NSF that he was primarily employed by the company that received the STTR award. At the university, he was the PI on multiple federally-funded subcontracts for which he was required to maintain effort certifications. During the academic year those reports reflected the percentage of time he was spending on each area of his job. In summer months he was required to maintain daily time and effort records, which were used to charge his time to federally-funded projects.

During the PI's trial, the university effort reports served as critical government exhibits and demonstrated the fraudulence of the company timesheets he had produced. That evidence contributed to the PI's conviction on seven felony counts, including falsification of evidence and obstruction of justice.

What changes have been proposed to effort reporting?

In light of the value of labor effort reports, the members of the Grant Reform Working Group paid particular attention to proposed changes to that process in the draft Uniform Guidance. In its comments to OMB on that draft, the working group detailed many reasons for its concerns that the proposed changes to labor effort reporting requirements—especially those relating to the standards for documentation of personnel expenses--would seriously undermine the oversight community's ability to identify and question unallowable and even fraudulent charges. Among other things, some proposed changes seemed to implement approaches being tested in pilots conducted as part of the FDP. We noted that the OIG community has agreed to audit those pilots to determine if they are capturing costs that reflect actual labor associated with Federal awards and if there is a sufficient audit trail to support those costs. We recommended that significant changes based on those pilots not be made to the effort reporting process until those audits are

complete. While OMB did make some changes to the effort reporting process in the final version of the Uniform Guidance, it is awaiting the results of the audits before making final determinations about other proposed changes.

The NSB's report noted that investigators and institutions responding to its RFI posting ranked effort reporting as the top area of concern, suggesting that it represented an "extreme burden to scientific staff" and a substantial expense to universities. The report recognized changes made by the Uniform Guidance to the labor effort reporting process, and noted that existing pilots that use institutions' payroll systems to provide automated information to be certified by the PIs were not addressed in the final guidance and were being reviewed by IGs. The report recommended that OMB identify appropriate means by which the piloted payroll certification approach for time and effort reporting could be used by universities and accepted by auditors and IGs. We appreciate that the NSB has recognized the importance of having the pilots audited, and look forward to discussing the results of those audits with the auditees, OMB, the NSB and the FDP.

What is the status of the IG community's audits of the labor effort pilots?

My office and the OIG for the United States Department of Health and Human Services are working together to conduct audits of the four FDP pilots, with each OIG having the lead on two audits. The audits are examining whether the systems universities are using to track labor charges provide data that support labor charges made to Federal awards, and whether universities are certifying, reporting, and claiming labor costs that accurately reflect the *actual* work personnel are doing on the Federal awards to which such costs are charged. We hope to complete these audits by the end of this calendar year.

Because our audit work is not complete, we have not yet finalized our findings. Problems we might encounter when payroll systems are used to support labor charges include using budget estimates for labor that are not adjusted to reflect work actually performed, as well as using a single, unadjusted percentage for effort across the life of an award (which suggests that changes to reflect actual activity are not being made).

Inspector General Community Grant Reform Working Group Comments on OMB Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards

The Grant Reform Working Group is comprised of staff from OIGs that oversee grant programs at twenty Federal agencies. Collectively, the agencies overseen by working group members fund 94 percent of the approximately $1.2 trillion in direct Federal award dollars covered by Single Audits each year.

The working group supported OMB's efforts to tailor its regulations to impose the least burden on society, consistent with obtaining regulatory objectives, and to identify rules that may be outmoded, ineffective, insufficient, or excessively burdensome. However, we also realized that it was vital, especially in the current budget environment, to ensure that Federal funds provided for research are used for the purposes for which they were provided and in keeping with Federal financial requirements. In order to ensure such stewardship occurs, program managers, pass-through entities and OIGs need tools to help them assess how grant recipients are using the Federal funds they receive.

Labor effort reports, cost accounting standards and disclosure statements, certifications and Single Audits are tools which provide crucial information to individuals charged with program management and/or oversight responsibilities. The working group provided feedback to OMB as part of the Uniform Guidance comment process which focused on the critical roles these tools play in ensuring the appropriate stewardship of Federal funds, and the impact that proposed changes could have on them.

The working group's concerns about proposed changes to the effort reporting process have already been discussed. With respect to cost accounting standards and disclosure statements, we recommended that OMB retain cost accounting standards requirements for grants and cooperative agreements received by educational institutions with Federal awards of $25 million or more, instead of eliminating them as proposed. These requirements were imposed in 1996 following audits questioning millions of dollars claimed by universities. In the years since their enactment, the resulting standards and disclosure statements have reduced the number of after-the-fact disagreements over universities' cost allocation processes, resulted in a more structured process for resolving cost accounting issues, and have thereby benefitted both the Government and the educational institutions. Disclosure statements, in particular, are critical tools for Federal officials charged with negotiating, monitoring or auditing awards, and their absence would significantly impair each of those activities. All of these benefits come with little burden, and their elimination would seriously undermine the Government's ability to hold institution's accountable for their use of Federal funds. The Council on Financial Assistance Reform (COFAR)[2] recommended retaining these requirements in the Uniform Guidance, although they raised the threshold to $50 million.

We also recommended that certification language be strengthened throughout the Uniform Guidance. Done well, certifications are critical tools in the pursuit of fraud because they put awardees on notice of their obligations (and the consequences of making false statements) and facilitate prosecutions by demonstrating that awardees understood their responsibilities. We noted that certification language in the draft did not include specific reference to the consequences of a false certification and provided language to address that omission. While advancing accountability and facilitating oversight, certifications impose no realistic burden on awardees. The COFAR concurred with this recommendation.

With respect to Single Audits, we recommended that OMB retain the existing $500,000 threshold for Single Audits instead of raising it to $750,000 as proposed. We were concerned that raising the threshold would result in a loss of audit coverage for approximately 6,400 auditees representing nearly $4 billion in Federal expenditures, thereby creating a significant loss of audit coverage for many low-dollar but high-risk entities. Recipient burden could also be increased if the threshold is raised because, absent Single Audits, smaller recipients may have to undergo audits or oversight visits from several different funding agencies. While the COFAR did not concur with this recommendation, it resisted requests from other stakeholders to raise the threshold even more and recommended setting the threshold at $750,000 in the final version of the Uniform Guidance.

[2] Created by OMB, the COFAR reviewed all comments received in response to the February 2013 Notice of Proposed Guidance and recommended changes to the guidance based on that feedback.

Accountability and Stewardship over Federal Funds: OIG Perspective on NSB Report, *Reducing Investigators' Administrative Workload for Federally Funded Research*

The NSB report, *Reducing Investigators' Administrative Workload for Federally Funded Research*, stated that the most frequently reported areas associated with high administrative workload were financial management; the grant proposal process; progress and other outcome reporting; human subjects research and institutional review boards; time and effort reporting; research involving animals and institutional animal care and use of committees and personnel management. The report made recommendations intended to ensure that investigators' time is focused on science; to eliminate or modify ineffective regulations; to harmonize and streamline requirements; and to increase university efficiency and effectiveness.

The report's findings regarding effort reporting and financial management were of particular interest to my office. Our thoughts on the effort reporting findings were discussed previously. With respect to the financial management findings, the report noted a lack of harmonization and standardization within and among agencies in all aspects of grant management, including financial audits, which were cited as contributing to administrative burden. Several commenters noted that greater institutional demands for financial details and justifications arose from auditor requests or institutions' concerns about auditing. Further questions were raised as to whether greater levels of certifications sought by OIGs would undermine efforts to streamline processes. The report also noted that a number of respondents raised concerns about the burden imposed by the travel reimbursement process, especially when receipts are required for even very small purchases.

The NSB recommended that a mechanism be established to ensure uniform and consistent audit practices based clearly and directly on regulatory requirements. It noted that audits which focus on larger expenditures, outcomes and infrastructure would significantly reduce investigators' workload while maintaining oversight and urged agencies and institutions to consider requiring receipts only for larger purchases. It also recommended the creation of a high-level, inter-agency, inter-sector committee that would 1) identify a priority list of legislation, regulations and policies that should be eliminated, modified or harmonized to reduce administrative burden, and 2) propose detailed alternatives or solutions as appropriate.

With respect to the audit-focused concerns in the report, it is unclear to me what the respondents meant when they indicated their belief that auditors were exceeding requirements. Most grant-related audit work conducted by OIGs or as part of a Single Audit would use guidance set forth in the Uniform Guidance as criteria and be conducted in accordance with audit standards, which should contribute to consistency in audit approaches. In the absence of concrete examples of situations where such guidance was exceeded or inconsistencies occurred, we can only speculate as to what actions may have led to this finding. We would be happy to work with the NSB to facilitate a dialogue between the grantee and the IG communities to obtain greater insights on this matter. We also believe that, as we saw with the creation of the Uniform Guidance, input from the OIG community would benefit the proposed inter-agency, inter-sector committee. We welcome a chance to work with the organizers of that committee to identify a way in which the IG community could contribute to the committee's work, while still maintaining necessary auditor independence.

On the matter of receipts, while it is hard to see that requiring investigators to obtain and retain receipts for purchases they make using Federal funds imposes a substantial burden, the lack of such receipts would have an immediate and detrimental impact on both an institution's and an OIG's ability to detect and prosecute fraudulent purchases. Requiring receipts only for large purchases would not provide protection for the not infrequent situations where individuals make many small fraudulent purchases with grant funds that eventually add up to a large amount of money. As an example, one OIG investigation found that over a five-year period a university employee made over 3800 personal purchases from 15 different vendors which ultimately diverted over $315,000. Without receipts, it would have been extremely difficult to make this case. Based on the strength of the evidence we were able to accumulate (including receipts), the defendant ultimately pled guilty to all 22 counts of the indictment, was sentenced to 32 months in prison and ordered to pay $318,200 in restitution. Eliminating a requirement for receipts might save a few moments, but it would also increase the likelihood of fraud and misuse of grant funds.

Finally, with respect to the burdens imposed by audits, it is important to keep in mind that most institutions are not audited by an OIG on a regular basis. To put the impact of OIG audits in perspective, in an average year NSF funds approximately 2,000 colleges, universities and other institutions. Given size and resource constraints, my office typically audits fewer than 20 of such recipients in a year. It is hard to see how this small number of audits contributes significantly to administrative burden across the academic community. Changes to the Single Audit threshold noted earlier will also substantially reduce the number of institutions being audited each year. As an OIG we are concerned by the resulting loss of audit coverage for approximately 6,400 auditees, representing nearly $4 billion in Federal expenditures. Past OIG experience has shown that entities that expend smaller amounts of Federal dollars often have more difficulty complying with award requirements, and significantly more findings of non-compliance and material weaknesses.

Unlike contracts, the Federal government has little insight as to how grant funds are used by awardees. It is therefore essential that tools, such as audits conducted by IGs and Single Audits, that are used to ensure accountability over Federal funds remain robust and provide sufficient oversight.

Conclusion

My office will continue to utilize the full range of our audit and investigative resources to exercise robust oversight of NSF's stewardship of Federal funds and to safeguard the integrity of the Foundation's operations. To conduct this oversight, we rely on strong accountability tools and Federal requirements that were established to protect Federal funds from waste, fraud, and abuse. While we recognize the need for a reasonable amount of flexibility to limit administrative burden, NSF awardees must never forget that they are spending the government's money and they must be held accountable for spending that money for its intended purpose.

Allison C. Lerner, Inspector General, National Science Foundation

Allison C. Lerner assumed the duties as Inspector General of the National Science Foundation (NSF) in April 2009. As head of the Office of Inspector General she recommends policies for promoting economy, efficiency and effectiveness of NSF programs and operations. She leads efforts to prevent and detect fraud, waste, and abuse; improve the integrity of NSF programs and operations; and investigate allegations of misconduct in science. Prior to becoming Inspector General at NSF, Ms. Lerner served in leadership positions at the Department of Commerce, including Counsel to the Inspector General.

Ms. Lerner has received several national awards for excellence, and in June 2011 she was selected by the President to be a member of the Government Accountability and Transparency Board. She currently chairs the Counsel of the Inspectors General on Integrity and Efficiency Working Groups on Suspension and Debarment Research Misconduct and grant reform.

Ms. Lerner received her law degree and her undergraduate degree from the University of Texas.

Chairman BROUN. Thank you, Ms. Lerner. I thank you all for your testimony, and I really appreciate the witnesses being here today. Committee rules limit questioning to five minutes per Member, and the Chair at this point will open the first round of questions, so the Chair recognizes himself for five minutes.

Dr. Bienenstock and Dr. Sedwick, as you know, the National Science Board's recent report notes that there has been an increase in administrative and compliance requirements associated with federally funded research. However, the Federal Demonstration Partnership's recent survey noted the principal investigators spend 42 percent of their time on associated administrative tasks, as Dr. Sedwick just told us, and that is the same as it was in 2005. I wonder about that, but it is an interesting piece of data. How can one claim an increase in administrative and compliance requirements when that 42 percent figure has remained static since 2005? Dr. Sedwick, why don't we start with you?

Ms. SEDWICK. Efforts of my colleagues and the FDP to limit—after we had the first survey, we have really stepped up our efforts to really focus on removing the administrative burdens on our faculty, and an example of this, when the ARRA reporting, the American Recovery and Reinvestment Act requirements for reporting came out, we worked very hard at minimizing the input that we had to get from our faculty, and we took that on our chins by developing systems, electronic systems, and these were not minimal endeavors. And so I think that we have worked very hard to minimize those increases in our faculty, and quite frankly, we were surprised that the number was exactly 42 percent but we were grateful that it had not increased.

Chairman BROUN. This is unacceptable. Forty-two percent to me is a tremendous regulatory burden.

Dr. Bienenstock, what are your comments or answer?

Dr. BIENENSTOCK. I am afraid my age shows here. I was a working scientist in the late 1980s and early 1990s, and there was a marked change in the administrative load after A–21, the circular governing reimbursement of universities, was modified. That did away with much administrative support that we had as faculty. So when I say that it is increased, it is increased relative to the situation that I faced as a scientist back in the late 1980s and early 1990s before that modification of A–21, and it is markedly different now.

Chairman BROUN. For all witnesses, what do you all consider to be an acceptable amount of time for researchers to spend on associated administrative tasks? Let us start with Ms. Lerner and we will go down.

Ms. LERNER. I don't think that I can give you a strict percentage, not being a working scientist myself. Certainly, 42 percent does seem like a great amount of time but some of the activities are obviously highly important. Ensuring the protection of human subjects and informing funders and the public about the progress of research are obviously very important factors.

Chairman BROUN. So the IG Office doesn't have any comment about that?

Ms. LERNER. I would defer to people more involved in that process than me.

Chairman BROUN. Dr. Lee-Glauser?

Dr. LEE-GLAUSER. As an engineer and practiced in both industry as well as NASA, now at the universities, I cannot just tell you percentages but I think when we went into this discipline, we wanted to make an impact and we wanted to make a contribution in innovating, and I think even ten percent would be too much, but at the same time, understanding what is required and due diligence, and I think there are amicable compromise. What is really exacerbating the situation is funding levels. When you have to constantly looking out for where your next funding to support all your postdocs and graduate students and undergraduates, I think that is a part of that exacerbation from our faculty members.

Chairman BROUN. Okay. Dr. Sedwick?

Ms. SEDWICK. Since I am representing the FDP, I don't want to—this has not been discussed, a particular number, but I do want to tell you that we know that it is not zero.

Chairman BROUN. What is your personal feeling of the percentage?

Ms. SEDWICK. I think——

Chairman BROUN. What is a good compromise?

Ms. SEDWICK. A reasonable goal would be to cut that half. I mean, if we could get down to 20 percent or so, I think that would be reasonable.

Chairman BROUN. Okay. Dr. Bienenstock?

Dr. BIENENSTOCK. You know, the problem is that we are dealing with regulations that serve a real function. I don't have a number in mind. I think what we are going to have to do is just chip away and chip away at this. I was really pleased to hear Ms. Lerner propose that the audit community and the university communities get together. We are just going to have to chip away, and there is no magic bullet. We are just going to have to eat away at little things.

Chairman BROUN. Okay. Thank you, Dr. Bienenstock.

My time is expired. Mr. Maffei, you are recognized for five minutes.

Mr. MAFFEI. Thank you, Mr. Chairman, and again, I think this is a tremendously important hearing to have, so thank you again for that.

I would like to ask Dr. Bienenstock, so we have been talking about trying to get this cut yet I fear that the FIRST Act may add to the administrative burden. There are several changes to the merit review process that I think would lead to NSF having to develop new policies for peer reviewers and PIs. Could you speak a little bit to the potential impact of some of these changes in this bill should it become law? Would that add to it?

Dr. BIENENSTOCK. First of all, let me repeat my applauding the call for OSTP to form a committee to harmonize regulations. Harmonization is a key way to save researchers' administrative time. For that reason, I was a little surprised by the treatment of research misconduct. When I was at OSTP, it took me three years to get all the agencies to agree on a common definition of research misconduct and on common procedures for dealing with an allegation of research misconduct.

So it was surprising to find in the same Act a section that would completely deharmonize NSF from all the other agencies in the

treatment of allegations of research misconduct. It would be particularly troublesome in a situation in which a paper was funded by both the NSF and the NIH, for example, in which there was an allegation of research misconduct. Because NSF was a funder, the Inspector General would have a responsibility for dealing with the allegation. Because NIH was a funder, the university would have the responsibility or initial responsibility with dealing with it. I think that section is going to create real problems for the community.

Let me say once more that as Stanford's Vice Provost for Research, I had to deal with allegations of misconduct. Some of them were really subtle, and I was fortunate that I could immediately call upon faculty members who had expertise in the field because there was no way that I could figure out whether it was misconduct or two researchers trying to use research misconduct as a way of settling what should have been a scholarly argument. I think you are going to add to the burden of the IG and we are going to have chaos.

Mr. MAFFEI. Dr. Bienenstock, that is extremely helpful, and I hope we can, you know—we passed it through Committee but I hope we can before it becomes law take a look at that to try to reduce as much as possible.

I do want to get back to this point that was made by a couple of people. We are dealing with 42 percent. That is an estimate. Who really knows what the answer is, but way, way too high. I think we are all agreed on that. The issue, though, is that we can reduce the regulatory burden significantly. Let us assume we can. It is still—the number of times you apply for the same grant proposal is going to increase the percentage of time that scientists are spending on paperwork. So again, Dr. Lee-Glauser, I will ask you because you talk about the discouraging state of competitive funding, is this burden, even if we are able to reduce it somewhat by just reducing the paperwork requirements, but is this burden of constantly having to reapply for funds, is that turning off young people to the sciences? Are you seeing an effect on that?

Dr. LEE-GLAUSER. I think——

Chairman BROUN. Turn on your microphone, please.

Dr. LEE-GLAUSER. Sorry. I think greater number of students are thinking twice about going into academics, and I think what I am really scared of is women and underrepresented minority students. They see their faculty hustling left and right and constantly working 24/7, and I hear from them, if I have to work like that, I would rather do something else, and yet their idea of coming into university and trying to get a Ph.D. was to teach and they ended up working elsewhere. I have a number of underrepresented, exceptional underrepresented minority students going into industries left and right as well as government labs.

Mr. MAFFEI. Okay. Thank you. My time is up. Thank you, Mr. Chairman.

Chairman BROUN. Thank you, Mr. Maffei.

Now Dr. Bucshon, you are recognized for five minutes.

Mr. BUCSHON. Thank you, Chairman Broun.

First of all, let me make a comment about competitive funding. Obviously there needs to be competition, and when you are fund-

ing, there is never going to be a time where 100 percent of people's proposals are going to be accepted for funding. The question I have is where do we strike that balance to make sure that we are funding basic science research from the federal level at the appropriate level that is not impeding the ability of the scientific community to actually make progress, but also not fund projects that clearly, in my view, are not in the national interest or worthy of the taxpayer dollars. There is a very difficult balance there, and there is disagreement in Congress of where that balance is. I would think everyone would agree that it is probably a little—I would agree, I will give my opinion—that it is probably a little lower than it should be at this point and hasn't kept up. The argument that always throwing more dollars into it without continuing to look at that balance is something we need to be careful about because as a steward of the taxpayer dollar myself, we want to make sure that things are funded at the appropriate level but not wasting money.

The other thing is, anyone that has ever filled out FAFSA if you have a college student—anybody ever fill that out—knows that there is reporting and then there is reporting. So my question is to your point, Ms. Lerner and everyone else, there is valid reasons to have reporting when we are looking at getting federal dollars to fund projects. I think areas to look at are making sure the reporting is reporting the appropriate things that need to be reported, but leaving out stuff that really has no impact on the grant proposal, and I am hearing some of that is happening. Dr. Bienenstock, do you want to comment on that first?

Dr. BIENENSTOCK. Well, we definitely proposed that progress reports, annual progress reports, be limited to the pertinent scientific information and outreach information that is needed to assess progress and that we strip away other aspects of it. Similarly, in proposal writing, we propose that initially the proposals be limited to those things needed to assess whether it is appropriate to fund the research and only when the decision has been made that the research should be funded do we request the other information.

Mr. BUCSHON. Dr. Lee-Glauser, do you want to comment on that?

Dr. LEE-GLAUSER. Totally in agreement. I think we need to use it just in time.

Mr. BUCSHON. I think this is a potential area where my personal view of hearing your testimony that without limiting accountability that there is some significant progress that can potentially be made to improve the situation. Ms. Lerner, do you have any comments on that?

Ms. LERNER. I would certainly agree that progress can be made.

Mr. BUCSHON. The other question, how much administrative workload faced by universities is due to federal agency requirements versus institutional requirements? Dr. Lee-Glauser maybe can comment on that first.

Dr. LEE-GLAUSER. Now you are putting me on the spot here, and I think both. So part of—in light of the OmniCircular, we are reviewing our institutional policies that we have and how do we meet the requirements but how do we look into reengineering rather than just comparing and how to meet the requirement to meet the OmniCircular. We want to have process improvement in mind so we are looking that way. Yes, we do have internal policies and pro-

cedures that are very, very cognizant about and we wanted to streamline those as well.

Mr. BUCSHON. Dr. Sedwick?

Ms. SEDWICK. The focus at our universities is on mitigating risk but I think that in the same way that teaching to the test is maybe not always the best way to educate, administering to the audit, which is what happens often in these situations, is not the best way to reduce the administrative burden, and I think that we all live in fear of audit findings. And so it is very true that sometimes we maybe overextend what we could do and we are taking that same look at all of our institutions, but again, whenever you have change, we are all wondering what that is going to mean for future audits because it is an uncertain future.

Mr. BUCSHON. Thank you. I yield back, Mr. Chairman.

Chairman BROUN. Thank you, Dr. Bucshon.

Now Dr. Lipinski. We have got a lot of doctors up here as well as down there. We have two physicians and a Ph.D.

Mr. LIPINSKI. I was going to ask the——

Chairman BROUN. Dr. Lipinski, you are recognized.

Mr. LIPINSKI. I was going to ask the Chairman not to refer to me as doctor because the real doctors are over there, people actually heal people, and so I usually don't like to use the doctor for my Ph.D., especially if someone is looking for emergency help. But I do appreciate whoever just turned the air conditioning on. I do appreciate that help.

I saw, Dr. Bienenstock, you had your hand up there. You wanted—why don't you continue? I think you had a comment on that last question.

Dr. BIENENSTOCK. I just wanted to say that universities do fear audits and they fear—and are often more conservative than federal government regulations would require, and that is why I think Ms. Lerner's suggestion or pledge to seek a meeting between the universities and the audit communities is so important, and I think she deserves our praise for leading that effort.

Mr. LIPINSKI. Thank you, and I want to thank you for your comments on some of the provisions of the FIRST Act, and I know we had worked on the—you have been helpful with comments when we did the last NSF reauthorization bill, and I appreciate your work there and especially also the fact that I am a Stanford graduate and much appreciate it.

I wanted to focus on the Omni Circular, which is scheduled to be implemented at the end of this year. I would like to get everyone's thoughts briefly on the Omni Circular. What are the areas in which it helps reduce administrative burdens the most and does it address the leading concerns of the scientific community? What other issues remain unaddressed? So just sort of your—a few comments, a couple comments from each of you on the Omni Circular, where you think this helps and where more might be done.

Ms. SEDWICK. I will be happy to address that. I have been very involved in looking at the Uniform Guidance and what the wins are for universities and what the areas are that we are most concerned about. The treatment of terminal pay as an indirect cost, which indirect costs are capped at our universities, will once again be another unfunded mandate. The manner in which we are going to

have to compete our procurement actions that are $3,000 and above is going to be a significant burden and change for our institutions, and these are two examples of the types of changes in the Uniform Guidance that are going to require revision of systems and processes and policies that are outside of the purview of research administration offices. So, you know, at each of our institutions, we are working across our campus to try to come up with implementation strategies for our own institutions, and as we understand it, we are not even going to see the implementation plans for the agencies besides the National Science Foundation's perhaps until the date that the Uniform Guidance goes into effect. So it is rather hard for us to plan our own implementations when we don't know how those might be different among agencies.

Mr. LIPINSKI. Dr. Bienenstock?

Dr. BIENENSTOCK. There was one feature that I really like, and that is the ability to charge administrative time that is directly linked to the research to the contract itself. That was the way we did things prior to about 1991, and it meant that one could get administrative help locally. That is an extremely important change.

Let me explain why we are so stressed out over effort reporting, and it is almost a question of integrity. That is suppose I have two grants and a new technique comes out. Well, I have got to study that technique as a PI and spend a fair bit of time deciding is it applicable to grant A, is it applicable to grant B. Now, suppose it isn't applicable to either. On the one hand, it would have been negligent of me not to study it and see if it was applicable but then how do I charge that time to the two grants or suppose it is applicable, how do I charge the time that I spend teaching a graduate student about it. Is that teaching or is that research? So you put a scientist in a situation where he or she must affirm in detail how time is spent where one cannot do that with integrity. It is for that reason that we are so looking forward to the Inspector General's report on the payroll certification with the hope that—we expect that there will be difficulties but we hope that the IGs and OMB and the university community will find a way of making that method meet our needs and meet the needs of the auditing community.

Mr. LIPINSKI. Thank you. I see I am out of time. Yield back.

Chairman BROUN. Thank you, Dr. Lipinski. By the way, my father-in-law was an agronomist, a tropical-soil specialist at Purdue University, and he would argue with me all the time that a Ph.D. was the original doctor.

So anyway, let us see. The next Member is Mr. Johnson. Mr. Johnson, you are recognized for five minutes.

Mr. JOHNSON. Thank you, Mr. Chairman, and thank you to the panel for being with us today.

As I am sure many of you know, Ohio State University is a major academic institution within my home state. Its continual and significant contributions to the scientific community and to the State of Ohio must be able to continue free of ineffective and burdensome administrative regulations. OSU has about 600 active subawards with multiple agencies at any one time, the vast majority of which are with other academic institutions to which the federal government also makes direct awards. However, Ohio State, like many institutions of higher education, believes that it is required to subject

subawardees to much higher levels of scrutiny than when federal agencies monitor awardees that have been funded directly. Many believe that these additional requirements on universities to monitor each other are a total waste of effort and resources.

So for each of you, how can we improve this process of subrecipient monitoring of grant subawards to alleviate this burdensome administrative process that is placed on these institutions? And I will let any of you answer that would like to. Ms. Sedwick—Dr. Sedwick. Sorry.

Ms. SEDWICK. That is okay. My daughter is a physician and she calls me a faux doctor.

Mr. JOHNSON. She calls you Mom, too, right?

Ms. SEDWICK. Yes, she does.

Mr. JOHNSON. There you go.

Ms. SEDWICK. This is one of the areas of the Uniform Guidance that we as research administrators were disappointed because we felt like—that we could concentrate—if we got some relief in subrecipient monitoring of other institutions that are audited under the A–133 standards, that if we could spend less time on our subrecipient monitoring for them, we could concentrate our efforts and spend our resources really looking at those subawardees who do pose a greater risk, foreign subawardees, small startup companies or smaller institutions that maybe don't have that kind of annual audit scrutiny. So that is one of the things that we would have really liked to have seen in the Uniform Guidance.

Mr. JOHNSON. Okay. Anybody else care to respond on that one?

Okay. Well, you know, for Ms. Lerner, similar to the grant proposal findings and recommendations included in the National Science Board's recent report on reducing administrative burden, OSU has stated that many principal investigators have struggled with an increase in grant proposal resubmissions due to the continual development of more complex and detailed proposals, coupled with declining funding rates. So what steps has the NSF already taken to address these concerns?

Ms. LERNER. I think that question might be better addressed to someone from the foundation proper. As the auditor or the independent body within the foundation, we don't have a role in determining what projects are funded and what the process is, so I can't speak directly to what the foundation has done there.

Mr. JOHNSON. Okay. All right. Yes. Go right ahead.

Dr. BIENENSTOCK. A section of the National Science Foundation is piloting a program of pre-proposals, and in that way you can weed out about 50 percent and even more of the proposals that are not likely to get funding. These pre-proposals are very short. So that reduces both the amount of time that the proposers spend on writing the proposals and also the amount of time that the reviewers spend.

In response to that question I have to say that this Committee could do us a great deal of good if it would modify the authorization bill in a way—presently, the authorization of the *America COMPETES Act* requires that postdoc mentoring plans be included in the original proposal. We value very highly postdoc mentoring programs but we believe that that could be put off until we know

that a proposal is likely to be funded, and we need legislation altered in order to achieve that.

Mr. JOHNSON. Well, thanks for being very clear on that. I appreciate it.

Mr. Chairman, I yield back.

Chairman BROUN. Thank you, Mr. Johnson.

Now, Ms. Kelly, you are recognized for five minutes.

Ms. KELLY. Thank you, Mr. Chair. Good morning.

In the NSB report, the FDP survey, and other recent reports, time and effort reporting is identified as a leading concern for researchers in terms of time spent on paperwork while being a poor metric for the conduct of science. Can you elaborate on the nature of the concerns and what efforts are underway to try to simplify or mitigate the burden of this requirement? And anyone who wants to answer.

Ms. SEDWICK. Okay. Imagine if you will that you are a principal investigator in your office, your lab, and you are funded from different funding streams. You have your institutional duties and then you have projects that don't have the same project period. And so in effort reporting once or twice a year we ask the faculty to look at those percentages that were individuals on their awards, their postdocs, graduate students related to your staff, how much time they spent. Did they actually spend the time that they were supposed to spend on those projects? Which that is all fine and good but it is very confusing because it doesn't have a 1:1 correlation.

Our payroll certification project has the certification for the specific project, so you are looking at that on an annualized basis and it is just much easier for the faculty to look at it on a project-by-project basis versus in the whole.

Ms. KELLY. Anyone else?

Dr. LEE-GLAUSER. One of the things that—Art was pointing it out earlier, when you are doing the research, it really is very hard to compartmentalize whether it is a project A or project B or project C, especially very active faculty members may have multiple grants and contracts and it is not all from the federal government; it could be from the corporations as well. So it is very hard to—as Art pointed out, if you are finding something new, are we supposed to stop? As a researcher, curiosity is the best effort to go through in that process and then trying to find it out, where do I docket that time, whether it is with a graduate student or undergraduate or postdoc. So these are some of the inherent challenges in a research institution.

Ms. LERNER. And as the auditor on the panel, I am not going to tell anyone that the current effort reporting system is perfect. It is not. And I think that things could be made better. But the thing to bear in mind is the amount of money that goes towards salaries each and every year. We looked at two years, fiscal years 2012 and 2013. NSF put about $11 billion into research funding; $4 billion of that approximately went to salaries. That is about 36 percent of the research funding in a year. So there needs to be some way of ensuring that that money is spent appropriately.

Ms. KELLY. So you are saying it is vital for accountability——

Ms. LERNER. Yes.

Ms. KELLY. —and you have examples of how things——

Ms. LERNER. Yes, absolutely.

Ms. KELLY. —grant funds have been misused. Is there a middle ground?

Ms. LERNER. I think, you know, that that is the thing for us to discuss right now, and that is why our community has stepped up and offered to come in and audit these pilots because if there is a better way of doing things, we want to embrace that.

Ms. KELLY. Okay. Thank you very much.

I yield back.

Chairman BROUN. Thank you, Ms. Kelly.

And, Mr. Collins, you are recognized for five minutes.

Mr. COLLINS. Well, thank you, Mr. Chairman.

I want to thank the witnesses. I am new to this Committee and I found this very interesting. By the way, I have participated in some CDC grants so I know something about this, although not necessarily as you are talking about, the professors.

Ms. Lerner, I am hearing a willingness of the IG to work with the universities, call it continuous improvement, to have that conversation?

Ms. LERNER. Certainly we have to maintain auditor independence, but we should obviously be involved in a dialogue about accountability and about how to improve things. So I think there is a way of being involved in that conversation while maintaining independence.

Mr. COLLINS. Yeah. I mean calling that balance, the IG is open to——

Ms. LERNER. Yeah.

Mr. COLLINS. —suggestions coming in, streamlining ways to make sure your auditors know taxpayer dollars are being——

Ms. LERNER. Exactly.

Mr. COLLINS. —protected and lessening the burden to the extent but you need to make sure taxpayer dollars are being properly spent.

Ms. LERNER. We do. And what I hate to see happen sometimes is conversations get very far along without the audit community being included and then people think solutions have been reached and we have to come in and rain on the parade. So it is better to be involved in the conversation early on.

Mr. COLLINS. Now, what I am hearing, the 26 percent overhead rate——

Ms. LERNER. Twenty-six percent?

Mr. COLLINS. Did I hear that from Dr. Sedwick that——

Ms. LERNER. That was her recommendation as a kind of middle ground.

Ms. SEDWICK. The 26 percent is a cap that was imposed back in the 1990s on the ability for universities to be reimbursed for their administrative costs, and almost all research universities that belong to the FDP far exceed that cap.

Mr. COLLINS. So does that just go in as a plug number when they are doing it and then you just say times 1.26 or——

Ms. SEDWICK. The 26 percent is the administrative portion of our facilities and administrative costs and it is capped and then we negotiate our negotiated rate, which is then applied.

Mr. COLLINS. Right. So that is really not audited so much. That is just an automatic slipped-in number? Yeah, okay.

But if it was—what you're, Dr. Sedwick, suggesting perhaps that didn't cover everything. For every dollar that we increase, that would be, to refer to Dr. Lee-Glauser, a dollar then not spent somewhere else.

Dr. LEE-GLAUSER. That is right.

Mr. COLLINS. You can't have it both ways. It is called balance. I look at it that it is probably not a bad balance.

Ms. SEDWICK. Well, in my administrative—I mean my written testimony, I talk about the fact that the administrative burdens on our faculty are exacerbated by the fact that we are trying to, in our offices, absorb as much of the administrative burden as we can but every time we have to take on a new regulation, then those are dollars that we have to spend on the administrative requirements versus just helping our faculty with their administrative tasks.

Mr. COLLINS. No. No, understood. Dr. Lee-Glauser, you have many principal investigators. I have to assume they don't all have the same hit rate when they are applying. They don't have the same amount of time. Have you gone to really try to deep-dive why is this investigator hitting 40 percent and this one three percent and why does—in other words, are you looking for efficiencies and suggestions because any improvements you can make you are helping yourself.

Dr. LEE-GLAUSER. So it differs significantly by the agency to agencies. So if you are—if some of our faculty are targeting defense agency ONR, OSR, or ARO, the importance of having a relationship with the program director is that important. And I think it is very aligned with almost like a proposal type of action. Many of our programs are done with white papers——

Dr. LEE-GLAUSER. —which is one to five pages and you have a go, no-go. Once you have "go," success rate is very high. So the faculty members who are doing more defense-related projects, their success rate is much higher typically than faculty members who are seeking funding from the National Science Foundation, as well as the National Institutes of Health.

Mr. COLLINS. So you do—I mean it would make sense to try to help your investigators do better. The better their hit rate, the less—and, you know——

Dr. LEE-GLAUSER. Exactly.

Mr. COLLINS. It is common sense but——

Dr. LEE-GLAUSER. We would like to have our——

Mr. COLLINS. Help yourself again, yeah.

Dr. LEE-GLAUSER. Yes. We would like to have our faculty writing one proposal and getting that one funded——

Mr. COLLINS. Yeah.

Dr. LEE-GLAUSER. —if it is at all possible. Yes.

Mr. COLLINS. I think we all would.

Thank you, Mr. Chairman. I yield back.

Mr. BUCSHON. Thank you. We are going to switch out here again real quickly.

Chairman BROUN. We are having a little discussion here about doing a second round. We have a lot of questions. I know other Members do. I have also. We also have votes on the Floor, and we

have conflicting idea about when we are going to have votes. I think we are going to go ahead and start a second round of questioning if you all don't mind. Also, we are going to, when we get through with this, present any other questions to you all for the record so we call them QFRs. So, if you all don't mind, be anticipating questions from the Members of both Subcommittees for further questioning.

So Ms. Lerner, in the Council of Inspectors General for Integrity and Efficiency's response to the Office of Management and Budget's Uniform Guidance or Omni-Circular, it states that it is important to strike the appropriate balance between reducing burden and maintaining proper accountability. Can you help illustrate what an appropriate balance looks like? For example, what do Inspectors General need to see at a minimum in order to be able to ensure accountability and transparency with federal grants without impinging upon a researcher's extremely valuable time to do their research?

Ms. LERNER. Thank you. Both my written and my spoken testimony mention several tools that are extremely important to IGs. We have talked a lot about effort reporting. Another area that we haven't spent as much time to focus on that I think does and has served to fight back some of the burden on researchers, is Single Audits. Single Audits were put in place back in the '80s and a Single Audit is a high level audit looking at internal controls and financial management within a recipient.

Prior to the creation of the Single Audit, an entity funded by multiple federal agencies, all of whom would have a need to audit, and they can all go in at the same time. If you receive funding from five different agencies, you could have five different sets of auditors walking in simultaneously or after each other looking at the same things. So what the Single Audit did was say we are going to do this once, you know, at this very high level and spare some burden there. And so maintaining the integrity of the Single Audit process is very important to IGs and to institutions and other folks who rely on the information there, so maintaining a robust Single Audit process, having strong cost principles that clearly delineate what are allowable costs so that there is some clarity both for auditors and for folks who are incurring cost. All of those are important things to IGs.

Chairman BROUN. Very good. Thank you, Ms. Lerner.

Dr. Bienenstock, the Board has suggested that agencies and institutions consider requiring receipts and justifications only for larger purchases. Conversely, the NSF OIG makes a compelling case requiring investigators to obtain and retain receipts for all purchases. Can you please elaborate on your justifications for the Board's suggestion, including at what amount you would require receipts?

Dr. BIENENSTOCK. As I understand it, federal regulations allow one to not submit a receipt for expenditures under $75. And yet many institutions are required—and federal regulations allow, for instance, a researcher who is traveling to use a per diem reimbursement rather than providing receipts for each little meal and things of that sort. Yet many States require receipts for every little transaction and don't allow the use of the per diem rules that so

eases things with the federal government. So we were looking primarily at the States there that don't allow per diem. That is my memory in that recommendation.

Chairman BROUN. Okay. What level, though, of receipts would you require? Just a number——

Dr. BIENENSTOCK. I think the $75 is——

Chairman BROUN. Is appropriate?

Dr. BIENENSTOCK. Yes.

Chairman BROUN. Okay. Ms. Lerner, can you please provide us with the IG community's perspective on this issue?

Ms. LERNER. I think I was fairly clear in my written testimony speaking for myself and I think probably reflecting the views of my community, we rely on receipts and just because an expense is small doesn't mean that there can't be many small fraudulent expenses.

Chairman BROUN. Um-hum.

Ms. LERNER. So ensuring that if a threshold was set at higher than 75 percent, we would have some challenges. As I noted in my written remarks, we had one very creative person who made 3,800 small purchases that added up to over $300,000 of fraudulent purchases. So, we do need to have receipts to help us make cases like that.

Chairman BROUN. That is a lot of pizza and hamburgers.

Ms. LERNER. It was. And she really liked to tailgate for a university other than the university that she worked at. That did not go over well.

Chairman BROUN. Very good. My time is expired.

Mr. Maffei, you are recognized for five minutes.

Mr. MAFFEI. Thank you very much, Mr. Chairman.

Dr. Sedwick, I was struck by the fact that both the 2005 and 2012 FDP faculty workload surveys found that principal investigators reported in both surveys spending an average of less than 60 percent of their time on active research, so the scientists spending less than 60 percent of their time on science. Can you comment on what policies if any—because I know you said there were things put in place to try to reduce the workload but then there were things that added to it—was it mostly the Recovery Act—of why we didn't get improvements in the administrative workload between those two times?

Ms. SEDWICK. The results were quite often in the human—the research compliance areas for those researchers that utilized animals or those researchers that used human subjects—participants. Those were very high burdens for them. And so that is what we looked at is not only was it prevalent across all researchers but what were the big pressure points for researchers in general. And so if you had human subject participants or if you had animal use and care to deal with, those were very high, and a lot of that is regulatory-driven. And then just the financial management, the effort reporting remains to be high across all sectors, because that touches all faculty.

Mr. MAFFEI. Thanks. I think that is very helpful.

Somebody made the comparison between applying for the research grants and, you know, getting through that administrative burden and sort of teaching to the test. And that part of the chal-

lenge is that researchers are designing their applications more to sort of teach to the way that is done. And I don't know, Ms. Lerner, whether you were able to comment on that at all but I am curious as to whether you think that is true and how can that be reduced?

Ms. LERNER. I think the expression was that they were trying to teach to the audit with the idea of avoiding any possibility of a negative audit finding. And I know we are scary people and I say that in jest, but I recognize that an audit to question costs and tries to take money back from an institution is a frightening thing to have to deal with. What I would say is, really it is not the audit. We audit to criteria and the criteria come out of first, previously, the OMB circulars and now the Uniform Guidance. And so if we can have a better understanding and set policies and procedures that are harmonized with the criteria that the federal government has, then there shouldn't be a problem with the audit down the road.

And I think what I have heard some of my colleagues here referring to is that sometimes standards are raised beyond what the federal standards require in an excess of caution. And if that can be avoided, that might be an area of improvement.

Mr. MAFFEI. Dr. Sedwick, you seem to——

Ms. SEDWICK. Well, I am the one that said we administer to the audit, and by that I mean—keep in mind that the Inspectors General for the federal agencies are not the only auditors that are auditing us.

Ms. SEDWICK. Ms. Lerner has alluded to our A–133 Single Audits and those are conducted by our state—run by our state audit offices for those of us that are state institutions. And so it is not just Inspectors General that we are, you know, concerned about.

I will give you an example. In the Uniform Guidance there is much more burdensome subrecipient monitoring requirements, and we already feel that at our institution and I think some of my colleagues who we have—how you make subawards to feel like that we are pretty risk-averse. Well, our state auditors have already told us they want to talk to us about, you know, increasing what we do at our state institutions, and that is really concerning for me and I think that that is what we are all thinking is coming out of the Uniform Guidance is we don't know where not just the Inspectors General but our state auditors are going to take it

Mr. MAFFEI. That is really helpful.

I am curious, and Dr. Lee-Glauser, I will ask if you have a thought on this, but I am curious as to whether you think that these requirements put any bias in terms of the kinds of universities, the sort of home universities or colleges that—for instance, you mentioned state. Are state institutions having to deal with more of this and therefore biased against? Do the sort of the huge traditional names, are they helped? Or the smaller colleges, if you are from there, they don't have the resources to support scientists as much. Do you detect any of that?

Dr. LEE-GLAUSER. I think we—Syracuse University is a private institution. We are not a state institution but we have the same burden.

Mr. MAFFEI. Right.

Dr. LEE-GLAUSER. We receive funding from the State as well as the federal and different agencies, so we have the same burden.

Mr. MAFFEI. I know my time is up but, Ms. Lerner, do you ever detect any sort of—are you concerned at all about different—you know, the nature of the institution?

Ms. LERNER. You know, over the years the IG community has found problems at—you know, at every size institution that you can imagine from the biggest names to the smallest. So there is no guarantee that size prevents problems. What I would say is in larger research institutions like the University of Texas, my alma mater and a lovely place, you do have places—people like Dr. Sedwick who are able to provide support and ensure an environment where you are more likely to have controls. That may be difficult to replicate at smaller institutions and certainly when you have small businesses that are receiving funding.

Mr. MAFFEI. Thank you. I thank the Chairman for his obliging me. I think this is all very, very valuable.

Chairman BROUN. Certainly. Gladly. No problem. You know I have always tried to give lots of leeway.

Dr. Bucshon, you are recognized for five minutes.

Mr. BUCSHON. Yes. Thank you, Mr. Chairman. I am going to go a little different direction. I think Mr.—Dr. Bienenstock, excuse me, mentioned an intriguing thought that sometimes misconduct allegations are done because there is an academic argument for competitive purposes and we all know that the academic environment is really hypercompetitive. I want to see what people's insight is what happens when those things happen within your own university—this may go to the university folks. What are the repercussions of that when that is found to be the case where it is not—it is an academic argument in the competitive environment people have made accusations.

And then, Ms. Lerner, maybe you can address what implications that may have on the future ability of the person making the accusation that is found to be false on their further ability to ever get federal funding again? Because in my mind if they do that, I would not want to give them another taxpayer dollar ever. Or—we have discussed this at the Committee—or have a time frame where you would maybe—you know, there would be some forgiveness there.

Do you want to follow up on that, Dr. Bienenstock? I mean how significant do we think that a lot of this stuff we are spending time on within the university is actually related to academic competition and not related to actual fraudulent behavior by researchers?

Dr. BIENENSTOCK. Let me say that approximately half of the cases that I had to deal with as Vice Provost were of that nature. Okay.

On the other hand, I have to say that it was pretty subtle. That is you know the processes. First, you determine is the allegation one that should be dealt with under the definition of falsification, fabrication, or plagiarism? Then you do an inquiry. And in both of those cases the inquiry said we better do an investigation. So it is subtle. And then in the end when we got the senior faculty together to really look at it carefully, it was decided there isn't research misconduct here. It really is an argument that should be settled in the literature.

Now——

Mr. BUCSHON. So is there a reporting requirement? Say an institution finds that within their own institutional investigation. Is there a requirement to inform the federal government of who made the allegation in the first place and what the outcome was?

Dr. BIENENSTOCK. No. I believe in circumstances like this we don't report. And remember, the person who made the allegation had a real reason for doing it and we wouldn't——

Mr. BUCSHON. Well, maybe they didn't.

Dr. BIENENSTOCK. —go beyond the inquiry stage if we didn't think there was enough justification to go into the investigation. So it is not as if you really want to stop these things because in some cases there is real misconduct, and you are supposed by the rules to keep these things confidential unless there is a real finding of research misconduct.

Mr. BUCSHON. Okay. Ms. Lerner, you have a comment on that?

Ms. LERNER. I would just say if NSF funding is involved, we are supposed to be informed even at the inquiry stage because the initial inquiry and investigation is conducted by the institution, and if there is a determination that no investigation is warranted, we are informed of that. What the institution is doing is looking at the interest of the institution and we look at research misconduct and allegations from the perspective of the funding agency. And sometimes we will look at the inquiry and/or investigation and decide that additional work is necessary and we do go on and do that. It is not often. Usually, we can rely on the determinations that are made by the institutions. But in instances—and we have had some prominent ones where we don't think that sufficient work has been done, we go in and do more and then we make recommendations to the director intended to protect the federal funds.

Mr. BUCSHON. I want to give both the doctors from the universities—there was some surprise about your initial part of your statement. So, Dr. Lee-Glauser, first can you comment on that?

Dr. LEE-GLAUSER. Yes.

Mr. BUCSHON. And then with your indulgence, Mr. Chairman, Dr. Sedwick.

Dr. LEE-GLAUSER. So it is my understanding that during the inquiry stage within the institution we do not have to report to NSF. When it goes into the investigation—so we are very careful——

Ms. SEDWICK. Yeah, that is——

Dr. LEE-GLAUSER. —as to how we are awarding what we are doing.

Ms. SEDWICK. I agree.

Dr. LEE-GLAUSER. Yes.

Ms. SEDWICK. That is—we are required to report at the—when we start the investigation stage and then the results of our investigation.

Ms. LERNER. And——

Mr. BUCSHON. Your mike is not on, Dr.—Ms. Lerner.

Ms. LERNER. What is that?

Mr. BUCSHON. Your mike is not on.

Ms. LERNER. But sometimes allegations come to us and we send them to the institution for inquiry, so that is what I am speaking of. In those situations we are already aware. In other instances we are not aware of them until they get to the inquiry stage.

Mr. BUCSHON. Okay. Because this issue actually seems very important to me because, like I said, there is a discussion on when you fraudulently use taxpayer dollars or you accuse someone of fraudulently using taxpayer dollars and they weren't, what the repercussions of that are.

And so thank you, Mr. Chairman. I yield back.

Chairman BROUN. Thank you, Dr. Bucshon.

As a practicing physician, I have seen the burden that is placed upon medical practitioners by the federal government and it has markedly driven up the cost of the practice of medicine. This drives up the cost of insurance, it drives up the cost for all of us, society as a whole, because of the heavy burden of the federal government that comes from Centers for Medicare and Medicaid Services. So this regulatory burden on all scientists, whether it is a researcher in a university or whether it is a private researcher or whether it is even medical providers that are working. The cost in time, energy, which of course are extremely valuable, as well as the financial cost are huge. And I appreciate you all being here today to help elucidate some of the issues that you all face.

By the way, for those of you all that are not from the South, you all is singular for all you all, which is the plural for us, or you all could be plural itself so it is singular and plural. So, but greatly appreciate you all being here today. And, it is great testimony from each of you. I appreciate—certainly all of you all have made some personal sacrifice in your valuable time to come here and give us your testimony, and personally, I greatly appreciate it.

And then others have even made some other types of sacrifices, driving a long way from Syracuse, New York, down here, and then, Ms. Lerner, I am sorry for your father's health problems and I greatly appreciate your personal sacrifice to come. I know that there was some question whether you could attend or not because of that and I will keep you and your family and your dad in my prayers.

But all of the Committee Members may have—or some of us may have further questions for each of you all, and I would appreciate a very rapid response to that. Members are reminded that the record will remain open for two weeks for additional comments or for those written questions from Members, and then if you all would please get your responses back as expeditiously as possible so that we can go ahead and close this record.

And if you have any suggestions of how we can get this burden off of our scientific community so that we can do science instead of fulfill the regulatory burden that the federal government has placed upon you all, and also give Ms. Lerner and her compatriots in IG offices across this country the resources that they need to do their job. We all have to be held responsible and accountable and so that is what Ms. Lerner and her office is all about. So, if you all could let us know. Ms. Lerner, if you could help us, too, I would appreciate that.

So I thank all of you all for your valuable testimony. I thank Members for your great questions and this hearing is now adjourned.

[Whereupon, at 10:41 a.m., the Subcommittees were adjourned.]

Appendix I

Answers to Post-Hearing Questions

ANSWERS TO POST-HEARING QUESTIONS

Responses by Dr. Arthur Bienenstock

House Committee on Science, Space, and Technology

Subcommittee on Oversight

and

Subcommittee on Research and Technology

"Reducing the Administrative Workload for Federally Funded Research"

Questions for the Record from Chairmen Broun and Buschon

Dr. Arthur Bienenstock

Chairman, Task Force on Administrative Burdens, National Science Board

Question 1. What are the barriers to implementing the recommendations made in the NSB report? In particular, what are the barriers to implementing greater standardization of requirements across agencies?

ANSWER: The Board's four recommendations for addressing the administrative burden issue (focus on science, eliminate ineffective regulations, streamline requirements, and increase university effectiveness) may best be implemented through dialogue with all stakeholders. The Board recommends the creation of a high-level, inter-agency, inter-sector committee to address these recommendations. Specifically, coordination among federal and state entities, universities, and the audit community is required to relieve unnecessary record-keeping while ensuring transparency and accountability for federal funds.

A careful analysis of statutory challenges affecting select agencies is also needed. For example, the National Science Foundation is the only agency that requires researchers to submit post-doctoral mentoring plans. There are many other examples of agency-specific legislative requirements. A current effort by the National Research Council to analyze the extent of statutory burdens is expected to provide helpful recommendations on this topic.

Question 2. How can we ensure the balance between the value and the burden of regulatory and reporting requirements?

ANSWER: In its report, *Reducing Investigators' Administrative Workload for Federally Funded Research*, the Board emphasized that the term "burden" is used to describe excess regulations and requirements that slow the pace of research and do not improve either scientific or regulatory outcomes. The Research Performance Progress Report (RPPR) is an example of how agencies working together can

reduce burden and at the same time collect critical information on the results of federally supported research. One of the key goals in the development of RPPR, in fact, was to reduce PI burden through the use of more innovative mechanisms for data entry. The RPPR resulted from an initiative of the Research Business Models (RBM) Subcommittee of the Committee on Science (CoS), a committee of the National Science and Technology Council (NSTC). One of the RBM Subcommittee's priority areas is to create greater consistency in the administration of Federal research awards. Given the increasing complexity of interdisciplinary and interagency research, it is important for Federal agencies to manage awards in a similar fashion.

It is imperative that agencies follow the guidance established in two Executive Orders (EO 13563 and EO 13610) which were established to "make the agency's regulatory program more effective or less burdensome in achieving the regulatory objectives." Those orders direct agencies to consult with the public and the Office of Information and Regulatory Affairs (OIRA) about periodic retrospective review and appropriate modifications to agency regulations.

In its report, the NSB recommended that a permanent high-level, inter-agency, inter-sector committee be established to create a priority list of policies that might be eliminated, modified or harmonized with the goal of reducing administrative workload for PIs and institutions. Stakeholder and OMB/OIRA participation will be important to the success of this effort.

Question 3. Do you believe that the administrative burdens lead to a disincentive in the U.S. for individuals to work in STEM fields? If so why?

ANSWER: In response to our Task Force's Request for Information, we received many comments raising this concern. Several respondents indicated that they had left, or that they knew colleagues who had left, science because the administrative workload had become excessive and crowded out their scientific work. Others were concerned that many of our best and brightest young scientists and engineers will turn away from research careers entirely.

At one of our workshops, we heard a senior scientist say that he became a scientist because he was attracted by the spirit of inquiry and innovation that characterized his teachers' scientific lives and labs. He was not sure that the best young scholars now see the day-to-day work lives of their mentors as primarily scientific and interesting. He thought that senior scientists may be thinking less positively about their jobs and conveying less enthusiasm about scientific work to their students.

Dr. Gina Lee-Glauser from Syracuse University made a similar point in her testimony during our June 12 hearing, saying that students see their advisors leading highly stressful lives and struggling to achieve a good work/life balance.

Question 4: In your testimony you noted it would be "valuable to develop uniform and consistent audit practices related to scientific grants and contracts." Why is this important?

ANSWER: Variation in audit requirements and in institutions' understanding about audit requirements promote risk aversion and excessive documentation that interferes with the content of science as well as the efficiency with which it is conducted.

- When audit practices vary, institutions have to understand and organize to handle the variations. This can lead them to hold every transaction to the most stringent standard that might be applied, without regard to efficiencies.
- When audit standards are hard to understand, grant managers may design their processes or paperwork to cover all possible interpretations, again opening the door to increased cost and effort without meaningful benefit.

Further, when uncertainty about the constellation of regulations and audit standards exists, and when the repercussions of negative audit findings are significant (financially or in terms of institutional reputation), risk aversion is likely. Risk aversion can lead an institution to prioritize audit safety over scientific promise. Our Task Force heard concerns that some institutions have refused to allow some scientific proposals that involved audit-related complexities rather than helping PIs develop acceptable ways to conduct the research.

To put all this in a more positive frame, consider the value of audit practices that are clear and standard. They make it more likely that:

- Awardee institutions understand what they do and do not need to require, and why. They can then train their personnel and design all their compliance activities to be more efficient and effective.
- Scientists have to spend less effort and time learning about cross-agency variations in order to do their work and can work more constructively with their grants managers.
- Inspectors General can conduct more efficient and effective audits.

Question 5. Regarding audit-focused concerns in the NSB report, Ms. Lerner's written testimony questions what respondents meant when they indicated their belief that auditors were exceeding regulatory requirements. Can you please explain, or give some examples of audits that exceed such requirements?

ANSWER: In response to our Request for Information, we heard reports of discrepant interpretations of audit standards between regulators, auditors, and university administrators; conflicting instructions about audit requirements being given to new awardees; PIs being audited beyond regulatory requirements; and grants-management officials adjusting policies based on individual auditor interpretations. We also heard that occasional dissonance between regulations and the findings of audits made institutions uneasy and risk averse.

Question 6. Did respondents to the NSB survey provide suggestions for any specific regulations that could be eliminated, streamlined, or harmonized?

ANSWER: The Board report reflects the commonly raised respondent concerns that the Task Force judged to be sound and important. The most commonly reported administrative burdens were those associated with financial management, grant proposal and submission processes, progress reporting, human subjects research, effort reporting, research involving animals, and personnel management.

Based on respondent comments, effort-reporting requirements are in need of reform. It was widely reported that they are time consuming for researchers, costly for institutions to administer, and yet the data they yield is generally not meaningful for evaluators. The Board is supportive of the Federal Demonstration Partnership's pilot study of a method that gathers information directly from institutions' payroll systems for use as valid effort-related data for audit purposes. We look forward to the IG community's evaluation of that pilot.

Recently altered conflict-of-interest regulations from the Public Health Service (PHS) were also noted by respondents as an area of concern. The especially detailed reporting requirements PHS has adopted are viewed as inappropriately time consuming for investigators and costly for institutions. Respondents felt that they are unnecessary, that they do not add appreciable benefit in terms of deterring or diagnosing wrongdoing. There is worry that other agencies may adopt the more stringent requirements or that institutions may feel the need to apply them beyond PHS awards, as they constitute the most stringent standard currently in place.

Question 7. Given the highly competitive nature of the proposal process, have you seen any reluctance on the part of researchers to scale back the breadth and length of their proposals for fear that someone else won't and thereby get a perceived advantage?

ANSWER: The competitive nature of award decisions and the low success rate for even highly rated proposals serve to motivate researchers to submit as much as is allowed. To ensure a level playing field within each competition, program solicitations define the material needed for submission, including the maximum length of a proposal and even font size. Detailed budget requirements, formatting, and other requirements vary greatly by agency. The Board recommends that proposal requirements be modified so that only materials essential to evaluating the merit of the proposed research be considered by reviewers and program officers.

Question 8. What changes are universities and institutions making in order to become more efficient?

ANSWER: Universities and institutions have been collaborating for years to ensure that they share best practices through professional associations such as the Federal Demonstration Partnership (FDP), National Council of University Research Administrators (NCURA), Society for Research Administration International (SRAI), and the Council on Governmental Relations (COGR), just to name a few.

Institutions can further reduce burden by communicating the origin of compliance requirements to their researchers and by resisting temptations to add unnecessary requirements to those that are already mandated by federal and state policies, unless there is a compelling reason to do so.

Many researchers perceive that the preponderance of compliance requirements are placed upon them by their own institution. Although institutional practices do exist, most compliance mandates are rooted in Federal or state law or policy. An additional complication arises for public institutions since they generally must comply with state regulations involving travel, reporting, purchasing, and sometimes human and/or animal subjects requirements.

In its report, the NSB recommended that Federal agencies collaborate with research institutions, and with organizations representing investigators and institutions, to identify and disseminate model programs and best practices (e.g., for financial management and human- or animal-subjects review) that could be adapted for use at other institutions. This effort could be aided by the NSB-recommended permanent, high-level interagency, inter-sector committee.

Question 9. How easy or difficult would it be for institutions to adopt and implement new regulations for the federal grant process? Would institutions incur additional financial burdens, and if so, please explain why.

ANSWER: The ease of implementation of new regulations for institutions depends entirely on the nature of those regulations. In general, new regulations tend to increase costs because they require new activities, training, compliance paperwork, and researcher time. Adding complexity makes compliance more difficult and costly for institutions. If new regulations target a specific research agency they can lead to a lack of harmony across agencies. Of course, there have been new regulations whose sole purpose is to harmonize and simplify regulatory requirements. One example is OMB's new Uniform Guidance, and, as I mentioned in my testimony, my work at OSTP to harmonize research misconduct standards. While these are not necessarily easy to develop, over time they can lead to substantial reductions in financial burdens and PI administrative activities.

An illustrative example of the impact of new regulations is the American Recovery and Reinvestment Act (ARRA). Although ARRA achieved a high level of transparency, the additional funds were accompanied by new administrative requirements, notably the need to report quarterly on technical, financial, and subaward progress. The Federal Demonstration Partnership surveyed 119 research institute members to assess the impact of these requirements, and documented the results in their *ARRA Administrative Impact Survey Report*.

The report found that, for over 11,501 awards totaling over $7.1 billion, ARRA administrative costs, including staff and PI time, totaled $91.7 million --- almost $8,000 per award. This figure does not include indirect costs associated with the awards. It is worth highlighting that one source of this burden was the *differences* between ARRA's requirements and those of other grants received by universities. The FDP report concludes that "Harmonization of requirements across agencies and within agencies was viewed as key."

Question 10. Do larger institutions have an advantage with grant applications due to having greater personnel and funding resources? If the grant application process was streamlined, would it create a more level playing field for research universities of all sizes?

ANSWER: Larger institutions with successful research programs have a clear, quantifiable advantage with grant applications. Additional administrative support is one of a number of factors that enables PIs at these institutions to devote less of their federally-supported research time to administrative tasks. The 2007 FDP survey of faculty burden found a monotonic relationship between the total amount of funding an institution receives and the amount of time its PIs spend on active research. At the largest institutions PI's spend more time on active research than their counterparts at small institutions, and spend almost 10% less time on administrative tasks. It is noteworthy that most of this difference is in post-award, compliance and reporting activities.

The 2012 FDP survey reported similar findings: "administrative workload was highest for degree-granting institutions outside of the Very High Research Carnegie classification, particularly non-doctoral degree-granting institutions." While the Board's RFI did not address this point, we spoke with researchers at our roundtables who described the significant differences in support they had experienced moving from larger research universities to smaller.

It is worth noting that there are other related small, but statistically significant, demographic findings in the FDP data. PIs at public institutions report greater administrative workloads than those at private universities; women spend more time on administrative tasks than men; tenured professors report a lower burden than their less established peers; and underrepresented minorities report a level of burden that is 10% higher than average.

Streamlining the grant application would help level the playing field. While inequities would likely remain, reducing the burden on all researchers means that there is less of a difference between researchers that receive more administrative support and those who do not. It would also allow the administrative support that smaller institutions *can* offer to have a greater impact.

Question 11. From the various NSB and FDP reports and surveys, did you get a sense from the respondents as to which federal agency's requirements led to the greatest administrative workload and which led to the least, and why?

ANSWER: While administrative workload varied greatly by agency depending upon the type of requirement being discussed (i.e. project reporting, proposal development, institutional review boards (IRBs) and institutional animal care and use committees (IACUCs) requirements, etc.), there are specific areas of reported burden that were greater based on the type of research or scientific field being discussed. For example, research involving human subjects research/IRB, and IACUC compliance requirements generated a high level of reported burden in both the FDP and NSB survey instruments,

whereas research in other fields such mathematical sciences and computer sciences were associated with lower levels of reported burden.

It is important to note that virtually all researchers understand and agree on the necessity of clear rules to protect human subjects in research. However, Federal regulations and institutional requirements for the protection of human subjects have become increasingly complex and may not be appropriately calibrated to risks (e.g., the approach applied across a broad spectrum of study types is too broad-brush). These regulations and requirements have resulted in additional work for investigators that does not yield additional meaningful protections for subjects.

Respondents to the NSB study suggested that IRBs exceed the Federal requirements due to concerns about oversight and liability. PIs noted that some of these practices impose a considerable burden, as they delay research by weeks or months. Institutions and organizations representing them suggested that these practices are due to individual auditor interpretation of regulations, focus on process, and dissonance between the regulations and the findings of those enforcing them. The responses highlighted significant institutional variability in the efficiency of IRBs and the systems and requirements that they have in place.

As with human subject research and IRBs, animal research and IACUC-related administrative work is performed mostly by PIs and their research staff. As a result, these administrative requirements directly impact their workload. Comments received from the NSB Request for Information on animal research echoed the concerns expressed for human research, including escalating regulations and prescriptive guidance, duplicative agency and institutional review of grants and protocols, IACUCs exceeding Federal requirements, and variability in institutional systems and requirements.

Question 12. Are federal agencies ready and willing to work with each other to streamline their various grant processes? Why or why not and please cite specific examples, if possible.

ANSWER: Federal agencies are mindful of the community's concerns for the need to reduce administrative burden and have taken a number of positive steps over the years to work towards this goal. The Research Business Models (RBM) Subcommittee of the Committee on Science of the National Science and Technology Council (NSTC) has the current objectives of facilitating a coordinated effort across Federal agencies to address policy implications arising from the changing nature of scientific research, as well as to examine the effects of these changes on business models for the conduct of science. For example, in April 2010, the Office of Science and Technology Policy signed off on the Research Performance Progress Report (RPPR) which introduced a uniform reporting requirement for research agency implementation for annual and other interim progress reports.

Further, the Council on Financial Assistance Reform (COFAR) was established in October 2011 and was instrumental in developing the *Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) which is designed to improve delivery, management, coordination, and accountability of Federal grants and cooperative agreements. The

OMB's new Uniform Guidance reduces administrative burden and risk of waste, fraud and abuse by eliminating duplicative and conflicting guidance by combining eight previously separate sets of OMB guidance into one document, thereby reducing overlapping duplicative and conflicting provisions of guidance that were developed separately over many years.

The NSB recommended the creation of a permanent high-level inter-agency, inter-sector committee to build on the work of the COFAR and that of other groups. It would incorporate stakeholder participation to create a priority list of additional regulations and policies that should be eliminated, modified, or harmonized to reduce the administrative workload of PIs and institutions and propose detailed solutions or alternatives. The list should include legislation that has resulted in significant cost and burden or impedes harmonization without substantially improving the research environment and its accountability and transparency.

Question 13. Does the National Science Foundation have a formal response or position on the recommendations presented in the NSB report?

ANSWER: NSF has had informal productive discussions with the NSB on the recommendations set forth in the Board's report. NSF is interested in piloting NSF-specific activities and recommendations identified in the report. NSB Task Force will continue to work with NSF on the recommendations.

Question 14. The National Science Foundation has published for public comment its implementation plan of the Office of Management and Budget's uniform guidance on streamlining processes associated with awarding federal funds and easing administrative burden. Are you familiar with the Foundation's plan, and if so, what is your reaction to it?

ANSWER: In accordance with long standing practice, NSF will implement OMB's uniform guidance as policy (not regulation) through the next revision to its Proposal and Award Policies and Procedures Guide (PAPPG). That guide is expected to be issued in the Fall, and, in accordance with OMB's implementation deadline, will apply to awards and funding increments on existing awards made on or after December 26, 2014. This implementation is high on the Board's agenda, and we were briefed at our May, 2014 meeting.

The Board believes that the Foundation is implementing OMB's requirements appropriately, through an established process for community feedback. While we expect that the guidance, and NSF's implementation, will ultimately reduce the administrative burdens experienced by PIs, the NSB will continue to monitor implementation by requesting regular updates.

Question 15. You testified to "mountains of overlapping but different forms, systems, rules,"etc., across different grant-making agencies that have built up over time, and the increasing burdens associated with them.

a. Please identify the specific types of differences across agencies that have the greatest impact on increasing burdens for recipients.

ANSWER: We believe that the proposed inter-agency, inter-sector committee --- including stakeholders --- is the best entity to identify these differences and prioritize the reforms that would yield the greatest benefits to our nation's researchers. We anticipate that the recent $1 million appropriation to the Department of Education for a National Research Council (NRC) examination of research burdens will also enable this to be done systematically.

While the Board's report did not delve into the specific differences across agencies, respondents to our RFI highlighted lack of standardization in grant management as a problem. This includes inconsistencies in policies and guidance on things like formatting and electronic submission. As we discussed during the hearing, perceived differences in audit requirements is often cited as a source of disharmony. In part as a result of the hearing, I am hopeful that the Inspectors General community will soon be engaging with the academic community to discuss this issue.

b. What more could be done to eliminate the most burdensome differences?

ANSWER: There have been some examples of government working to reduce some of these differences. Collaborative efforts between the FDP and Research Business Model working group have piloted projects, including the Research Performance Progress Report (RPPR), which now standardizes progress reports required by researchers across agencies. OSTP and OMB are requiring all Federal agencies to use the RPPR, and requiring stronger justification for any deviations. OMB has also recently completed reforms to the administration and oversight of Federal research grants and contracts through its uniform guidance.

In general, the differences between agency requirements can come from multiple sources --- legislation, regulation, accrediting organizations, or universities themselves --- resolving them requires persistent, detailed work involving multiple stakeholders. That is why I applaud Chairman Bucshon's leadership in advancing H.R. 5056, the Research and Development Efficiency Act through the House. If enacted, I believe this legislation will help identify and prioritize where we should focus reform efforts.

c. Would the creation of a single, government-wide electronic filing portal to standardize and integrate all post-award reporting requirements, similar to Grants.gov on the pre-award side, be a step forward?

ANSWER: Harmonization of post-award reporting requirements should be the first step before any implementation efforts are undertaken. A specific implementation of an electronic portal

can be more efficient than piecemeal solutions, but not if it still allows each agency to collect varied, customized data. A good example is the Research Performance Progress Report (RPPR). It standardizes one kind of post-award reporting across agencies, but does so by focusing on harmonizing requirements rather than by focusing on the implementation.

NSF, for instance, has implemented the RPPR as a service within Research.gov; other agencies are using their own systems for report preparation and submission. While it may later prove helpful to implement a government-wide portal, I believe it would be disruptive to do so before the transition to the new requirements, and it should not be done without weighing the costs and benefits to PIs.

d. How much of an impact could a post-award reporting portal have on burden reduction and cost-savings for grant recipients?

ANSWER: The impact of a post-award reporting system depends on the final reporting requirements as determined through the harmonization process as well as the implementation of the portal. If regulations are streamlined and harmonized before creating a portal, there is almost certainly going to be cost-savings and reduced burdens for grant recipients. If not, the portal is less likely to help.

PIs responding to our RFI cited formatting and electronic submission differences (and the training that invariably accompanies each agency's requirements) as a distinct source of burden But implementation also matters; a portal created without careful attention to the needs of the agencies and researchers it serves may actually create more problems than it solves.

House Committee on Science, Space, and Technology

Subcommittee on Oversight

And

Subcommittee on Research and Technology

"Reducing the Administrative Workload for Federally Funded Research"

Questions for the Record from Ranking Member Maffei

Dr. Arthur Bienenstock

Chairman, Task Force on Administrative Burdens, National Science Board

Question 1. Our Committee just passed H.R. 4186, the Frontiers in Innovation, Research, Science, and Technology Act of 2014 or the FIRST Act on a partisan basis. Along with authorizing the National Science Foundation (NSF), the National Institute of Standards and Technology (NIST), the Office of Science and Technology Policy (OSTP), and STEM education programs, the FIRST Act would add numerous administrative burdens to NSF and the scientific community while decreasing the purchasing power of the agency. The National Science Board, in your unprecedented public statement on the bill, stated that "some elements of the [FIRST Act] would also impose significant new burdens on scientists that would not be offset by gains to the nation." Could you please elaborate on the Board's specific concerns about the bill and its potential impact on the agency and the scientific community?

ANSWER: Any new legislation or regulation is intended to achieve worthwhile public purposes, but there may also be unintended consequences. In terms of science agencies, if one set of rules is proposed for NSF and another for other agencies, our researchers must understand and track all those variations for every proposal.

As I mentioned in my testimony, I think Sec. 302 of the FIRST Act, on regulatory efficiency, will help reduce the administrative burden on PIs. But there are other provisions that cause me concern as they have, among other things, the net effect of deharmonizing requirements across agencies. For example, the provisions proposed in Section 115 regarding the misrepresentation of research results and falsification of data would be unique to NSF. While we can all agree that these practices should be prohibited, the particular procedures for dealing with misconduct allegations in this section are problematic. As a consequence of OSTP leadership in 2000, all federal research funding agencies agreed to a common definition of research misconduct, as well as the procedures for dealing with research

conduct allegations. These have been codified into federal regulation (45 CFR Ch. VI, part 689). Per regulation, in most cases, it is the university's responsibility to deal initially with an allegation with an inquiry to determine if the allegation has merit, followed by a careful investigation if it is concluded it is warranted. It is expected that the Inspector General would be brought into the case under three circumstances: (a) the university lacked the capability to, or failed to, carry out its responsibilities properly, (b) the university found that there had been research misconduct and (c) the initial allegation was made to the NSF, rather than the university involved. Even if the initial allegation was made to the NSF, the IG would ordinarily have the university perform the inquiry and investigation. These harmonized research misconduct procedures are clearly recognized in the first sentences of 45 CFR 689.4 (a) which reads, "(a) Awardee institutions bear primary responsibility for prevention and detection of research misconduct and for the inquiry, investigation, and adjudication of alleged research misconduct."

Sec. 115 of the FIRST Act would, for NSF grants and only for NSF grants, shift the primary responsibility for the inquiry, investigation and adjudication of alleged research misconduct from the university to the Inspector General. Thus, as stated above, it would have the effect of deharmonizing research misconduct requirements across agencies.

It should also be noted that the language in Section 115 pertains to representations in published papers. Consider a paper based on research funded by the NSF and, say, NIH. Because of the NIH funding, the relevant university would be required to deal initially with the allegation of research misconduct. Because of the NSF funding, the IG would have to do the same thing. This situation illustrates the importance of harmonization. Similarly, insofar as the conclusions in a paper may be based only in part on NSF research, it will be difficult or impossible to separate the NSF-funded conclusions from the rest. I believe it will be hard to enforce. A better solution is to maintain harmonization of the definition of, and procedures dealing with, allegations of misrepresentation. This would be achieved by eliminating Section 115, so that the successful harmonization of the research misconduct definition, as well as the procedures for dealing with it, achieved by OSTP in 2000 remain operative for all research-funding agencies.

Other sections in FIRST that would deharmonize NSF procedures from other agency requirements include section 116, which requires that a PI may only include 5 citations to his or her own articles and that NSF may not consider more than those 5.

Section 117 requires that PIs who have had more than 5 years funding in the past can only be funded if their work on the grant contributes original, creative and transformative research. This appears to be both damaging to science and deharmonizing. It is different from the other agencies, hence deharmonizing. As I know from personal experience, the creation of a new, transformative technique may take several years. Once created initially, it usually takes several years of non-transformative follow-up to make the technique generally useful. That work is often best performed by those who developed the technique. This section would exclude the technique creator from being funded by NSF to do the follow-up work if he or she had been funded by the NSF for 5 years. Indeed, it would exclude

all scientists who had been so funded from performing this very valuable research. Science and the nation would lose out.

Finally, section 117 would require NSF PIs to list all of their historic federal funding. This is a new burden and is different from most if not all other agencies. Given that NSF already has strong protections against a PI receiving funding from two agencies to support the same work, this requirement would appear unnecessary.

Responses by Dr. Susan Wyatt Sedwick

HOUSE COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY
SUBCOMMITTEE ON OVERSIGHT
AND
SUBCOMMITTEE ON RESEARCH AND TECHNOLOGY

"Reducing the Administrative Workload for Federally Funded Research"

QUESTIONS FOR THE RECORD

Dr. Susan Wyatt Sedwick
Chair, Federal Demonstration Partnership; President, FDP Foundation

Questions submitted by Chairman Broun and Chairman Bucshon

***1.* What are the barriers to implementing the recommendations made in the NSB report? In particular, what are the barriers to implementing greater standardization of requirements across agencies?**

The NSB report recommendations for reducing administrative burdens to focus on science, eliminate ineffective regulations, streamline requirements, and increase university effectiveness are perfectly aligned with the recommendations contained in the 2014 "FDP Faculty Workload Survey Report." As summarized in the Executive Summary of the report, those recommendations are:

(a) factor in impacts on research quality and productivity when weighing the costs and benefits of research policies;
(b) strengthen research programs by minimizing distractions, interruptions, and an environment of uncertainty; and
(c) reduce disincentives for conducting research and following a research career path.

Harmonization is hard but not impossible to achieve. The varied funding agencies have different statutory mandates and missions with which they must comply. All are subject to individual interpretation which leads to disjointed application and reporting requirements that have in some part been addressed by Grants.gov and the Research Performance Progress Report (RPPR) format. However, the NSB report found reports of dissatisfaction among principal investigators with the incremental input requirement and what would appear to be broader application of categories of what should be agency specific questions to all reports.

Full harmonization has a downside in that harmonization might not necessarily result in a less onerous process. For example, PHS Financial Conflict of Interest policy and requirements for compliance far exceed the requirements of other funding agencies and, in my experience, have imposed significant burdens on researchers for little added compliance value. If enacted, the Research and Development Efficiency Act (HR 5056) will initiate a working group involving all stakeholders who can formulate a systematic, integrated process focused on providing the best balance between the need for harmonization and individuation as warranted.

2. How can we ensure the balance between the value and the burden of regulatory and reporting requirements?

Regulations should only be implemented when there is a pervasive issue that must be addressed. When regulations are implemented because of an isolated event the net effect can be like "throwing the baby out with the bath water." NASA's China Rule is an example. Every proposal to and award from NASA must be scrutinized to ensure that no NASA funds will unilaterally be used to fund any Chinese entity. This is an example of a mandate that is costly in terms of resources and time required to comply that yields little apparent benefit.

Engage with the stakeholders on the best way to address an issue before implementing regulation and on an ongoing basis to remedy unforeseen or unintended consequences of new regulations. The FDP is an excellent sounding board for input from institutions of higher education and the National Grants Management Association (NGMA) can provide a conduit for feedback from other stakeholders.

This can be the platform for a meaningful review of the regulations listed on the Federal Regulatory Changes, Since 1991 (Council on Governmental Relations) document I included in my written testimony. It is imperative that the review be conducted with broad stakeholder input. The FDP could serve as a sounding board and testbed for innovative ideas from the stakeholder working group proposed under HR 5056.

3. Do you believe that the administrative burdens lead to a disincentive in the U.S. for individuals to work in STEM fields? If so why?

This clearly is happening. It now is common for our undergraduate and graduate students and postdoctoral research trainees to become discouraged as they observe how the PIs with whom they work, spend their time and struggle to keep their research programs funded. Our younger coworkers understand that STEM fields are demanding, intellectually and in terms of the time and effort they require of us. But in many cases those students and trainees are surprised, disappointed, and discouraged by what they learn about the "inside story." As they come to understand how much the administrative burden on PIs takes their PI away from actually doing and thinking about their STEM field, our young coworkers often feel disillusioned and develop doubts about pursuing what they thought would be their future careers.

The problem is not limited to students and trainees. There is a growing tendency of established STEM workers to leave the USA to take more lucrative and less burdensome positions in other countries. Universities, professional schools, research institutes, and companies in Asia and Europe are recruiting STEM investigators away from their positions in the USA by offering relative freedom from the oppressive regulatory and other administrative burdens now common in this country as well as significantly higher pay and much better access to research funding.

4. What changes are universities and institutions making in order to become more efficient?

The projects that have been piloted by the FDP are good examples of the efficiencies that

can be effected when there is a collegial and cooperative engagement among stakeholders. The Expanded Authorities, Standard Government-wide Terms and Conditions, subaward agreement and subcontract templates with ongoing iterations to standardize attachments necessitated by ARRA, FFATA and the PHS FCOI policy, and IRB Practical Guide are examples of FDP pilot demonstrations. We routinely share good practices for reducing administrative burdens especially in the use of technology to streamline procedures.

5. How easy or difficult would it be for institutions to adopt and implement new regulations for the federal grant process? Would institutions incur additional financial burdens, and if so, please explain why.

Adopting and implementing new regulations are not trivial endeavors and are sometimes exceedingly costly. New regulations require at the very least policy revision if not policy implementation, procedural documentation that often requires approvals, training and buy-in from multiple units, and, if administrative burdens are to be minimized, development of and/or modification to electronic systems. Shared governance at our institutions requires that policy changes be vetted through faculty organizations.

Two examples of how burdensome and disruptive regulatory and policy implementation can be are the new PHS Financial Conflict of Interest requirements and the requirements associated with the funding received under the American Recovery and Reinvestment Act (ARRA). Institutions were extremely appreciative of the ARRA funding support but the short time frame and "outside the norm" reporting requirements created extremely onerous and costly burdens on institutions benefitting from that funding. Larger institutions could not deal with the volume without new electronic systems. The FDP ARRA report provides a detailed description of what is involved in complying with a new regulatory mandate and documented the cost per award to exceed $8000. The methodology used for that study could be used to replicate studies on other implementations.

With regard to electronic systems, much of the frustration and burden is associated with and exacerbated by the under-resourcing of the federal entities charged with developing the electronic systems. Examples of systems that have had problematic launches are Grants.gov, Federalreporting.gov, the System for Award Management (SAM), and FFATA Subaward Reporting System (FSRS). I am happy to elaborate and provide specific and illustrative examples.

6. Do larger institutions have an advantage with grant applications due to having greater personnel and funding resources? If the grant application process was streamlined, would it create a more level playing field for research universities of all sizes?

The Faculty Workload Survey did suggest that the time taken away from research is generally less for institutions with larger research portfolios which also tend to be larger institutions. The highest burden was reported by those outside the Very High Research Carnegie classification. Institutions with few or no Ph.D. programs tend to have a smaller volume of federal research, and faculty at these institutions tend to report less time available to conduct research overall, with a greater percent of that time taken away from research by administrative requirements.

Larger research universities have a different mission and the sheer volume of externally funded research would provide for recovery of indirect costs that could be pooled to provide administrative support at the research unit level. However, many emerging research institutions have increased their rewards for external funding and have also funded research development units that can assist with proposal development and thus ameliorate some of the burdens associated with proposal preparation. The biggest advantage is that at a larger institution, the support is provided by "specialists" while at smaller institutions, research support personnel must provide service across pre-and post-award functions. Increasingly, research administration has become so complex that larger institutions are organized into specialized units for pre- and post-award. Peer review should ensure that good science will be funded regardless of where the research will be funded.

7. From the various NSB and FDP report and surveys, did you get a sense from the respondents as to which federal agency's requirements led to the greatest administrative workload and which led to the least, and why?

The Faculty Workload Survey provided clear-cut and consistent evidence of several federal agency requirements that are especially burdensome across all agencies that award federal research funding. The single most time-consuming burden is associated with proposal preparation which on average is estimated to consume 15% of researchers' time focused on federally-funded research. With typical funding rates of less than 20%, this suggests that at least 8 out of every 10 applications do not contribute to active research at all. This impact is compounded by proposal administrative requirements for multiple time-consuming details unrelated to the scientific content of the project, such as detailed budgets with justifications, human and animal subject protocols/ approvals, data management plans, and student mentoring plans. We fully support the NSB report recommendations to limit proposals requirements to those items needed to assess the merit of the proposed work.

Among pre-award and post-award administrative requirements, the most time-consuming responsibilities are associated with IACUC and IRB requirements for the protection of animal and human subjects. There is widespread consensus that the process is fraught with inefficiencies that take away large amounts of research time but contribute little or nothing to protecting subjects. Among those responsibilities shared by almost all investigators, requirements associated with finances, personnel, and effort reporting are especially time-consuming. There are many aspects of these responsibilities that could be streamlined as detailed in the FDP Faculty Workload Survey report.

A comparison of the time taken away from research for investigators funded by different federal agencies suggested that there may well be differences in administrative workload for different agencies. However, the findings are also complicated by the type of research that is being funded. In particular, agencies that fund a large proportion of projects with human or animal subjects tend to be associated with higher rates of time taken away from research. In most cases, this may have less to do with the federal agency than with the presence of IACUC and IRB requirements. NASA and the Department of Energy, for instance, are generally associated with less time taken away from research but this is largely due to the fact that less than 10% of their research projects involve studies of animal or human subjects. This difference in portfolios also explains some (but perhaps not all) of the lower average burden

ratings for NSF investigators relative to NIH investigators, given that only 34% of NSF investigators versus 88% of NIH investigators were working on projects involving animal or human subjects.

Other increases in the amount of time taken on administrative requirements may be linked to differences in agency missions. Projects funded by the US Department of Education, for instance, were associated with higher burden ratings. However, it is not clear the extent to which this may have to do with idiosyncrasies associated with projects involving education as opposed to basic research. Related concerns may be involved in the higher ratings associated with projects funded by the US Department of the Interior and the US Department of Transportation. Recognizing the unique needs of the various agencies while simultaneously minimizing unnecessary differences in requirements is a serious issue in need of focused attention.

This need becomes apparent when looking at the Faculty Workload Survey data showing that the most obvious detriment to research time when considering different federal agencies occurs when investigators are being funded by more than one agency. In almost every category, the need to be sensitive to the different requirements of the different agencies increases the time taken away from active research.

8. The National Science Foundation has published for public comment its implementation plan of the Office of Management and Budget's uniform guidance on streamlining processes associated with awarding federal funds and easing administrative burden. Are you familiar with the Foundation's plan, and if so, what is your reaction to it?

I have read and been involved with providing comments on the NSF implementation plan. The NSF has proposed a plan that adequately and appropriately implements the Uniform Guidance. Concerns with the NSF implementation plan expressed by the institutional members of the FDP are concerns with the Uniform Guidance and not the NSF plan. Our concerns with the Uniform Guidance were expressed in my written testimony and in the white papers referenced in that testimony.

9. You noted that the 26% cap on administrative expense reimbursement hasn't kept up with growing federal regulatory burdens. Some experts believe that a primary driver of ever-increasing administrative cost is the compounding nature of the increasing complexity that occurs when universities receive grants from multiple grant-making agencies. A university might receive grants from a dozen or more agencies – each with its own unique systems and interpretations of grant regulations – causing confusion and increasing compliance burdens for recipients.

a. What is your view of this problem?

The 26 percent cap was implemented in 1991 based on the estimated indirect costs at that time. It is no longer based on any reality. Universities are the only recipients of federal research funding that have cost recovery limited in such an arbitrary manner. I believe this

quote from the 2009 Rand report entitled, "Paying for Research Facilities and Administration" is even more acutely accurate today:

> *In terms of the reasonableness of F&A costs in universities, our direct evidence is limited. What evidence we have indicates that the underlying cost structures in universities have lower F&A costs than federal laboratories and industrial research laboratories. Because of specific limitations on university F&A reimbursement, such as the administrative cap, the actual amount awarded to universities for F&A costs is likely to be even lower than what cost structure comparisons would indicate.*

b. Do you have any idea how much administrative costs are impacted by the compounding of complexity as you do business with different agencies?

I believe some inference can be made from the findings of the "FDP ARRA Administrative Impact Survey Report" which calculated the cost of administration of each ARRA award at just under $8000 over the life of each award. This finding was calculated based on respondents who reported having received more than 11,500 prime awards with total funding exceeding $7 billion plus another $940 million as first-tier subrecipients. Respondents also issued over 2600 subawards under those prime awards and 1360 vendor agreements that met the threshold for individual reporting.

It was clear that the FDP institutions made every effort to minimize the reporting burden on researchers. Five federal agencies also required reports to be submitted directly to them in addition to the reporting through Federalreporting.gov and many states imposed additional reporting burdens. On average, institutions added three FTEs in response to the ARRA reporting requirements. However many institutions simply reallocated personnel to ARRA functions or accommodated the additional burden by paying existing staff to work overtime resulting in delays in performing normal workload. Training was also a costly consideration in complying and is complicated by special agency requirements.

I can share one example. The changes made in 2011 by the Public Health Service(PHS) made substantial changes in the requirements for Financial Conflicts of Interest (FCOI) with an implementation deadline of August 24, 2012. The revisions necessitated more frequent disclosures from researchers, numerous institutional reports to the government, significant changes in relationships on sub award projects, new training programs and oversight, and explicit deadlines for all reporting activities within a very tight time frame. The scope of the new regulations and the one-year time to implementation required a substantial investment in planning, communications to researchers and the public, educational systems, IT systems development, and University policy. The costs associated with the implementation and the ongoing management required a reallocation of institutional funds but the collective university experience among FDP institutions is this had no discernible effect on improving the safety of persons who participate in research projects. Specifically, the reporting of all sponsored travel by our researchers has been extremely burdensome. At least one large public institution has documented their one-time implementation costs at $1million and their annual (repeating) costs at over $800,000.

c. How much could be saved if the government standardized and integrated all of its

reporting and compliance requirements across all federal grant- making agencies, so that the compliance requirements were exactly or nearly the same for every grant, regardless of which agency issued the grants?

This is not the first time this question has been raised. In its 2000 report entitled, "Analysis of Facilities and Administrative Costs at Universities", the Office of Science and Technology Policy recommended:

> *a central database of federal research F&A costs should be created and maintained that could 1) track the federal indirect cost reimbursement rates and the federal indirect cost reimbursement, 2) provide analysis of the impact that changes in policies would have on indirect costs, and 3) provide analysis of the impact that changes in policies regarding indirect costs would have on the federal government, researchers, and research institutions.*

That database was never created. Anecdotally, FDP institutions can provide countless examples of new positions created specifically to deal with compliance mandates. But compliance with regulations takes more than a coordinator. It is hard to quantify the time across campus that is spent addressing compliance mandates.

d. **Would it be helpful if all agencies used a single set of cost principles and grant regulations (i.e., eliminating agency-specific interpretations and variations) and a single reporting system for all grant reports?**

One would be hard pressed to argue anything to the contrary. However, as stated above, there is some fear that harmonization will not result in a "meeting in the middle" but expanded requirements across all agencies.

10. You testified that researchers believe that the current 42% administrative burden on researchers could be reduced to 31% if about four additional hours per week of administrative support were available to them.

a. Please explain the nature of the workloads requiring more administrative support.

We most often see administrative support requested as direct costs for projects with extensive or exceptionally intensive needs (e.g. travel processing for large conference grants) that cannot adequately be provided utilizing administrative support funded through indirect costs recovery. While these costs often fall into the administrative realm, they are not clerical in nature. When the restrictions on direct charging of administrative and clerical costs were imposed, the emphasis was on clerical. For instance, administrative staff can remove principal investigators of the administrative burdens associated with producing high quality reports and publications utilizing technology to create graphic or managing complex budgets for projects involving multiple collaborators.

The Uniform Guidance will provide a great deal of relief for direct charging administrative/programmatic support to projects. Four reasonable criteria must be met and this revision to the cost principles is welcomed by the research community.

b. Are there more cost-effective ways of reducing burdens than applying more labor to them?

Many of the burdens associated with federally-funded research are due to inefficiencies, inconsistencies, and unnecessarily-detailed documentation practices. It is far more cost effective to solve these problems than to waste valuable resources fulfilling obligations that do not contribute to their desired goals. As a first step, it may be valuable to differentiate high risk/high likelihood conditions from more benign situations. Reducing requirements associated with these more benign conditions such as minimal risk human subjects research would decrease workload overall with minimal or no adverse impact. FDP demonstrations could assist in demonstrating the efficacy of these workload reductions with respect to time savings and risk impact.

The 2012 FDP Faculty Workload Survey provides a rich resource for targeting any number of specific issues that could play a substantial role in reducing administrative workload without compromising effectiveness. As a unique forum, the FDP is especially well-positioned to engage in collaborative projects with institutions and agencies to find ways to alleviate the most pressing of these problems.

c. Can more of the workloads be automated?

Harmonization of requirements and adherence by the agencies as described above can eliminate barriers to institutions being able to automate reporting functions. This would allow resources currently devoted to duplicative reporting and compliance functions to focus on the research. Eliminating the need for detailed budgets at initial proposal submission would yield compounding benefits allowing the science to be judged on its own merit. The NIH modular budget has greatly reduced burdens on principal investigators without increasing the incidence of fraud, waste and abuse. All federal agencies should forego detailed budgets for at least some range of award and only require full budgets at award (just in time). Some agencies require revisions to initially submitted budgets on almost 100% of proposals. NIH modular budgets are allowed for projects funded at $250K per year or less.

d. What are the barriers to greater use of technology to streamline workloads?

There is significant disparity in the ability or willingness of individual agencies to adopt and share cross-cutting advances in the use of technology. One pervasive example was discussed in the 'Agency Application Submission Processing Panel Discussion' session at the January 2014 FDP meeting where the panel discussed in detail the differences between agency capability in processing Adobe forms and System-to-System submissions to Grants.gov. If applicants are not aware of the differences, an application submitted to one agency may be processed in a very different manner at another agency. Some agencies do not have the capability to directly accept System-to-System applications for example.

Outside of the success in FDP pilots where applicants, federal reps, administrators and IT sits at same table, there remains a tendency for developing individual, competing systems rather than collaborating on shared, transparent solutions. An example is the divergence from Grants.gov when dealing with complex applications. Agencies have developed their own IT systems using vastly different computing platforms for similar internal functionality. This

variance makes it cost prohibitive for smaller and some larger institutions to automate data collection and system interface. Compounding the IT challenges, the definition of "subcontract" is inconsistent between assistance agreements and contracts with the latter including vendor purchases as subcontracts, a deviation from any other data dictionary definition of subcontract.

There is an absence of guidelines for developing IT solutions that will meet federal compliance requirements. For example, in implementing the Uniform Guidance, many of the post-award processes and electronic systems at institutions will need to be changed to meet subaward monitoring, cash payments, reporting, documentation of personnel expenses, transparency, etc. requirements. Without a specific set of requirements for new and existing internal systems, each recipient will interpret the business process changes differently, some presenting a greater workload on the investigator than what now exists.

Grants.gov is another case study. Instead of building upon a successful electronic system, a new system was developed. Much disruption might have been averted and cost savings realized by enhancing the methodology that had taken years to refine rather than starting from scratch with the Grants.gov project. Many institutions developed or contracted for System-to-System interfaces to reduce the burden faculty faced filling in the countless Adobe Acrobat forms prior to the release of the standard Application and Electronic Submission Information (SF-424). On a positive note, the SF-424 form was the watershed in reducing the proliferation of agency-specific forms resolving many of the issues federal agencies used to justify their own agency-focused application systems. Minimally, the cost for these systems annually exceeds $100k for larger institutions. With that said, much work has been done to stabilize and improve Grants.gov under the current leadership and with collaboration with the FDP's Joint Application Design (JAD) team.

During the application development and deployment phase of a new or updated system, JAD teams, consisting of representatives of the end-user community, have become a valuable tool and are standard industries operating procedure. The Grants.gov JAD is an informal working group of FDP members who provide Grants.gov with feedback, guidance and counsel on applicant issues for Grants.gov. The Grants.gov JAD team includes stakeholders that include university researchers, administrators and technical representatives and federal agency representatives. The Mission of the Grants.gov JAD team is to:

- *Represent the stakeholders, working with advice from federal agencies as a forum for change and improvement*
- *Provide a mechanism for two-way communication between these stakeholders and the federal agencies*
- *In the long term, explore broader and deeper solutions for both grantors and grantees as defined by the grant life cycle*

JAD meetings are held three times each year in conjunction with the FDP meeting in Washington, DC. Attending the meetings are Grants.gov staff, the Grants.gov contractor, Federal agency representatives, and JAD team members comprised of stakeholders mentioned above. When the JAD team first met in 2008, Grants.gov was experiencing issues meeting the capacity requirements of submissions during agency deadlines. The JAD team focused on

solutions such as staggered deadlines based on time zone and communicating the need for applicants to submit earlier in the process. Some of the milestones and focus of recent JAD meetings include:

- *Reduction in the number of duplicative forms (e.g. 5 vs 10 year budget forms)*
- *Renewed support of style sheets to allow applicants to view a final application*
- *JAD team participation in beta testing of changes to forms and schemas*
- *Collaboration between Grants.gov and NIH for multiple-submission projects*
- *Prepare a consolidated response to the Federal Register notice of the SF424 Forms family*
- *Identification of application packages using expired or outdated forms*
- *Provided updated certificate installation documentation for System-to-System applicant community*
- *Guaranteed a 90-day advance notice for new/modified forms before use in an application package*
- *Polled uses of Adobe Forms to develop a priority list for improvements*

e. What could the federal government do to enable smarter use of technology to drive down administrative burdens?

It is imperative that the variance in requirements for reporting between agencies and even between divisions in the same agency be reduced if not eliminated. For example, there is great variance in requirements between Department of Energy regional offices and national labs. The FDP was making progress on some of the specific issues when DoE was active in the FDP in Phase IV. We will continue to recruit their active membership in Phase VI.

Additional initiatives where the use of technology would help reduce administrative burden:

- *Pre-populate information on various online forms using a universal award ID to identify the specific information contained in the dataset. Examples are numerous: FFATA reporting, progress reports, financial reports, cash draws etc. could be handled in a similar manner. With the advent of the Data Act, the opportunity exists to expand the use of data that are already part of the agency systems so that the recipient need not re-key and thus open possible data integrity errors for information already in those systems. Much of these data that are being requested are already reported in standard financial reporting.*
- *Develop standard data dictionary (schema) across agencies for reporting.*
- *Require any new collection of data to be via web portals using smart forms and xml data stream technology rather than a new paper form. Bulk uploads are critical.*
- *Do not allow agencies to repurpose existing fields in forms to gather additional information. For example, it has been reported to me that one of the consistent agenda items in FDP sponsored Joint Application Design (see below) team meetings is to provide input on Grants.gov improvements is to discuss examples of where an agency-specific application instruction set asks the applicant to enter information in a data field in the Adobe Form other than what the label stipulates. This is an obvious problem for automated data uploads because someone manually completing an Adobe*

Form can adjust to comply but a system-to-system application will automatically fill in that same field with information based on the intended data definition.

- *Encourage agencies to bring ideas for FDP demonstrations to reduce burden to the table rather than counting on the applicant community to create the initiative.*

11. In 2012, the Federal Demonstration Partnership participated in the Recovery Board's Grant Reporting Information Project (GRIP).

a. Should financial and transparency-related reporting be combined into a single, integrated process as demonstrated in GRIP?

First and foremost, please do not require institutions to report data that are readily available in federal systems and through our standard financial reporting SF 424. It should not be acceptable practice to implement a reporting system until it has tested, piloted and works well. Although the FDP initiative indicated that combining financial and transparency reporting into a single, integrated process would initially increase the burden on reporting institutions (because those separate reports are generally from disparate reporting lines within an institution), given adequate time and resources for development of systems on both the federal and recipient sides, the FDP would support such an integrated process. However, it is imperative that any consideration for such expansion include thoughtful deliberation on which data elements are not available through other means AND most importantly, that it replace (eliminate) existing reporting requirements and be consistently applied across all federal agencies.

Timing is critical. Federal agencies and universities alike are currently overwhelmed with the implementation of the Uniform Guidance. Federal agencies must be given time to adjust their backend systems to receive the standardized data format.

Due consideration should be given to the STAR METRICS data input model piloted and demonstrated by the FDP. Institutions voluntarily push on a quarterly basis 14 data elements using an excel spreadsheet into the central STAR METRICS repository. The STAR METRICS team then augments those data using electronic data mining to pull information available in other systems eliminating the need for manual, redundant reporting. This methodology has been adopted by nine leading Midwestern universities who are members of the Committee for Institutional Cooperation (CIC) and are using these data to provide evidence of the regional impact of their sponsored research. That project, UMETRICS patterned after the STAR METRICS initiative has garnered international interest and replication.

b. The recently enacted Digital Accountability and Transparency Act (DATA) authorized an expanded version of the GRIP project. How would you suggest OMB design this expanded pilot to test and demonstrate the maximum possible administrative burden reduction in research grants?

The DATA authorized a pilot that must be established not later than one year after the date of enactment which means May 9, 2015 and the pilot must be completed by May 9, 2016. Given the overwhelming burden that the Uniform Guidance may pose on grant recipients as well as the federal agencies, that timeframe may prove to be unattainable. FIRST Act of 2014 (HR

4186), the National Research Council study mandated by the Higher Education Opportunity Act of 2008 which has been funded by the US Department of Education, and the Research and Development Efficiency Act (HR 5056) all mandate the consolidation, streamlining and elimination of redundant and burdensome federal regulations and reporting requirements. ***I urge Congress to place a moratorium on new reporting requirements until these studies and inquiries can be completed and thoughtfully considered.***

Sandra Swab, Senior Advisor for Grants, Performance and Data Standards for the Recovery Accountability and Transparency Board remarked on working with the FDP for the GRIP that, "Working with the FDP made standing up this project much easier than doing it ourselves. It could not have been done without the support from the FDP." With this proven track record of working collegially and expediently, the FDP is the perfect home for the proof of concept. ***Please allow the federal agencies and institutional members of the FDP to study and demonstrate the best way to proceed. Together we can do the right thing in the right way resulting in a win-win for everyone.***

The Electronic Research Administration professionals who play an active role in all FDP projects and who were intimately involved in the GRIP implementation urge that:

- *Only one source for receipt of reporting data (standard transmission protocol to one portal similar to Grants.gov as an application portal)*
- *One source for acknowledgement of receipt rather than one for each agency*
- *Once source for data validation or data quality (schema)*
- *One source for reporting change requirements*
- *Pre-populate information using a universal award ID to identify the specific information contained in the dataset*

An expanded FDP Pilot could be initiated to address concerns documented in the initial GRIP report, including:

- *Include major federal agencies rather than only one (EPA was our sponsor for the initial pilot)*
- *Have an assignee from OMB as part of the project team*
- *Include state and local participation as did the original pilot*
- *Include the itemized standards submitted in the original GRIP pilot report as a requirement for an expanded pilot*
- *Federal agencies accept a global, universal dataset (they just ignore any they don't need, but not be allowed to add any)*
- *Include an operational 2-way test portal that allows reporting unit to enter data into a pre-populated web form, AND to send/receive an xml data stream similar to the System-to-System portal at Grants.gov at the option of the reporting unit*

For the FDP to make progress on the recommendations particularly with harmonization, we need broader participation by the federal agencies. We will continue our outreach efforts to the US Department of Energy (DoE) (former FDP member agency), the US Department of Education, the US Agency for International Development (USAID), and the National Oceanic and Atmospheric Administration. However, it must be noted that reducing burdens related to compliance requirements for the use of human participants and animals in research would require participation of regulatory agencies.

In summary, the FDP should be used as a sounding board on the administrative impact on any proposed regulation associated with research before it is enacted and for ongoing process improvement. We can provide the perspectives of not only faculty and institutional representatives, but also the federal agencies who must implement the regulatory mandates. The challenges for the federal agencies charged with implementing regulations often mirror the barriers faced by award recipients. The FDP has been effective because it is truly a partnership between the federal agencies and the member institutions that relies on trust and respectful consideration of our sometimes competing needs.

Responses by Dr. Gina Lee-Glauser

Dr. Gina Lee-Glauser, Syracuse University, Responses to the Science, Space and Technology Committee

Post Testimony Questions from Chairmen Broun and Bucshon and Answers on
Reducing the Administrative Workload for Federally Funded Research

1. **What are the barriers to implementing the recommendations of the NSB report? In particular what are the barriers to implementing greater standardization of requirements across agencies?**

The National Science Board's recommendations are organized by the following themes:

- Focus on the Science
- Eliminate or modify ineffective regulations
- Harmonize and streamline requirements
- Increase University efficiency and effectiveness

Barriers to implementing the NSB's recommendations and the greater standardization of requirements across agencies include the:

1. Lack of a single federal entity with the authority to mandate, implement, manage and enforce these recommendations;
2. Statutory or regulatory requirements - yet to be fully compiled and evaluated - that mandate or otherwise stipulate an agency-specific course of action, requirement or process; and
3. Disparate information systems and lack of standard data elements used by agencies for programmatic and financial management.

2. **How can we ensure the balance between the value and the burden of regulatory and reporting requirements?**

This balance might be achieved by unambiguously stating the desired goals and outcomes of various regulations and reporting requirements and the identification of better measures of when these goals and outcomes are achieved and when they are not, whether at an award, institutional or agency level.

In our current regulatory environment, emphasis is placed on the review of documentation as a proxy for achieving the desired regulatory (or reporting) purposes. However, is the validity of this approach in predicting desired and undesired outcomes known? What can the systematic analysis of undesirable events (from ARRA funding or other events) reveal? Are there better indicators than documentation / process review that point to the need for intervention by an institution, agency or regulatory body before an untoward event or action occurs? Certainly this proposed change would be no small task; but its outcomes could be profound and allow all stakeholders to measure the right thing, at the right time, for the right reasons.

With respect to award performance and financial accountability, frequency and reporting elements should be tailored to the nature of the awarded activity. For example, for basic research awards,

perhaps the most important outcomes are peer-reviewed publications and other related outcomes. As ideas or problems progress along the research & development / deployment continuum, publications may become secondary to other kinds of outcomes, which require more frequent assessment. Thus, basic and basic/applied research should be reported annually to federal agencies, while D/D would report semiannually or quarterly at most. As discussed in Question 5, are there ways to track and assess training and workforce development more efficiently? With respect to financial accountability, are there lessons learned from the ARRA award process that can inform our efforts to identify areas of risk and target those areas for monitoring? We also hope that implementation of the DATA Act will streamline financial management and reporting to agencies and the public.

3. **Do you believe that the administrative burdens lead to a disincentive in the US for individuals to work in STEM environments? If so, why?**

Yes, the current administrative burdens placed upon research faculty do impact the career choices of many of our most talented STEM students. Undergraduates may choose to enter the workforce immediately following graduation, rather than pursue an advanced research degree. Many of our best and brightest doctoral and postdoctoral scientists are turning away from academic research careers because they consider the pressures to be too great, the risks too high, and the rewards too uncertain to warrant this path. However, academic institutions remain the bastion of pursuit of basic research – the ultimate driver of our innovation-based economy, and without the continuous infusion of fresh ideas at all stages of the research pipeline, we put our nation's economic security at risk.

An indirect but serious long-term consequence of both administrative burdens and the current hypercompetitive funding environment is that our nation's state-of-the-art research infrastructure will not be sustained. Thus, STEM students will not have access to the rich intellectual environment and instrumentation needed to investigate and explore their ideas and contribute to our innovation-base economy.

4. **What percentage of Syracuse grants have been subject to audit? Have you ever felt auditors were exceeding regulatory requirements?**

Over the past three years, SU has been subject to 6 to 8 federal reviews annually that evaluate approximately 2% of SU federal grants. These reviews are in addition to awards examined for the A-133 single audit. We note that agency representatives call these assessments 'desk reviews' or 'fiscal monitoring reviews;' they carefully avoid the term audit. However, the materials and data requested and reviewed are similar to those in a traditional audit. The scale of these reviews varies, and ranges from one to multiple awards. The number of awards reviewed for the A-133 single audit is determined by professional audit practice aides, and the annual compliance supplement. We are also audited by New York State and other sponsors, further increasing the burden on staff and researchers.

It is not unusual for SU staff to interpret regulations or agency guidelines differently than do external auditors. For example, when regulations or agency guidance state that an institution "should" do X, auditors interpret this term to mean "must." So, if an institution choses to not do X for documented business reasons and does follow its procedures, auditors will still flag the issue as a recommendation or even a finding. This reduces the flexibility intended by the Office of Management and Budget or agencies to allow an entity to develop and follow policies and procedures unique to its circumstances while adhering to regulatory requirements. It is also a major driver in an institution's behavior – as teachers now teach to the test, institutions manage to the audit.

5. **Your prepared testimony did not indicate effort reporting as an administrative burden. Does Syracuse University have research support systems in place which allows its researchers to efficiently address this requirement?**

Although not included in our testimony because of the ample coverage by our colleagues, effort reporting is a significant burden to our faculty, staff and students as well as departmental support staff. Our procedures require effort certifications up to three times per year: after the conclusion of the fall and spring semesters, and summer. While at SU the actual time a faculty member spends on certification is relatively modest, this process is a considerable burden to departmental administrators, and sponsored accounting and payroll staff who are responsible for managing the system, and reviewing and processing any adjustments as may be required. In addition, the effort reporting system incurs additional cost to the University in the form of the product's annual license fee.

Broadly related to effort reporting, is the personnel information required by a number of federal agencies in annual research project performance reports. For example, in section D of NIH's Research Project Progress Report PIs are asked to report on ***What individuals have worked on the project?***:

> Provide or update the information for: (1) program director(s)/principal investigator(s) (PDs/PIs); and (2) each person who has worked **at least one person month per year** [*emphasis added*] on the project during the reporting period, **regardless of the source of compensation** (a person month equals approximately 160 hours or 8.3% of annualized effort).
>
> Provide the name and identify the role the person played in the project. Indicate the nearest whole person month (Calendar, Academic, Summer) that the individual worked on the project. Show the most senior role in which the person has worked on the project for any significant length of time. For example, if an undergraduate student graduates, enters graduate school, and continues to work on the project, show that person as a graduate student.

To avoid overlap and the inherent confusion caused by the different approaches used in institutional certifications and tracking individuals who have worked on an award, we recommend that agencies:

1. Reflect on why this information is requested in annual progress reports, and if deemed essential, work with the grantee community and the OMB to ascertain whether desired information can be provided systematically from other, institutional data systems;
2. Eliminate the requirement to report persons not compensated on an award; and

3. Encourage institutions of higher education to define a person-month to be 160 hrs (40 hrs/wk) to allow individuals to determine if effort committed was actually devoted relative to this base.

6. What changes are universities and institutions making in order to become more efficient?

To become more efficient and effective and ensure we can meet the challenges of the future, Syracuse University has embarked on a transformation initiative - *Fast Forward Syracuse* - to provide the key strategic direction and framework for propelling the University forward, by fostering academic and operational excellence. One of this initiative's three pillars is the Operational Excellence Program, which will help the University be more effective, achieve efficiencies and create opportunities that enable the other two pillars, the Strategic Plan and Campus Master Plan.

The Operational Excellence Program's objectives are to:

- Increase efficiency and effectiveness across the University
- Control costs and find better ways to do business
- Foster, encourage and help realize good ideas

While this program has just begun, it will embrace the guiding principles and adopt the procurement standards put forth in the OmniCircular. In addition to procurement efficiencies, the program will explore organizational and operational models new to Syracuse but adopted elsewhere, such as shared services for functions such as sponsored program administration or payroll.

Other changes SU is pursuing to enhance research administration include:

- Implementing new financial reports to improve accessibility of award information to campus users.
- Implementing a new web-enabled, data entry and workflow tool to facilitate the more efficient review and approval of proposals prior to submission and automate proposal and award data feed into our enterprise financial system.
- Integrating pre- and post-award sponsored research administration to provide more effective coordination of services and improved communication to PIs to reduce their administration burden.

7. How easy or difficult would it be for institutions to adopt and implement new regulations for the federal grant process? Would institutions incur additional financial burdens, and if so, please explain why?

Without additional information on the topic or area, it is difficult to assess the ease or challenges in responding to new regulatory burdens or associated financial impact. However, new regulations do

incur costs to institutions, typically because of the personnel and information / technology solutions required for compliance, regardless of whether this cost is passed on to sponsors or not.

8. **Do larger institutions have an advantage with grant applications due to having greater personnel and funding resources? If the grant application process was streamlined, would it create a more level playing field for research universities of all sizes?**

Larger research institutions typically have enterprise systems for proposal submission and other regulatory and research-related activities.

Streamlining the grant application process would not level the playing field for research institutions of more modest sizes (assuming that level the playing field means more broadly distributed awards). This would require agency action to value this goal. Some agencies do have 'set aside' funds (IDeA or EPSCoR, etc) or contribute geographic or other programmatic attributes (e.g., NSF) in their award selection process.

We offer the following suggestions to streamline the federal grant application process:

1. Require use of a single application submission portal by all granting agencies: Grants.gov or a single alternative. SU has used the following portals for recent applications:

Agency	Application portal used
Education	Grants.gov
Education	G5
Energy	Grants.gov
Energy, ARPA-3	APRA-E-eXCHANGE
Energy, EERE	EERE-exchange
EPA	Grants.gov
NASA	NSPIRES
NEA	Grants.gov and NEA-GO
NEH	Grants.gov
NIH	Grants.gov
NIST	Grants.gov (or paper)
NSF	FASTLANE
State	Grant Solutions
State	Grants.gov
Treasury	Grant Solutions

Agency	Application portal used
USDA – NIFA	Grants.gov

2. Require the use of standard formats within and across all agencies for core information including but not limited to: biographical sketch; abstract; budget and budget justification format.
3. Require that all forms be easily accessible at a single site (e.g., Grants.gov)
4. For institutions that do not have 'system-to-system' enterprise systems: incorporate functionality that 1) allows applicants to download forms prepopulated with the entity's standard boilerplate information (DUNS number, address, Congressional district etc) or 2) develop and provide a 'script' that enables auto entry of this information locally.
5. Require mandatory use of InCommon or an alternative single-sign on option for all federal agencies' post-award management portals. The plethora of systems requires multiple user names and passwords, which expire on different schedules.
6. Consider / mandate use of a single unique personnel identifier to accommodate personnel tracking, if that is essential for award outcomes
7. Require that proposals contain only the information needed for merit review; provide other information in a Just-in-Time manner (e.g., human subjects, financial conflicts of interest, overlap, current and pending, etc.)

9. **The National Science Board has published for public comment its implementation of the OMB's uniform guidance on streamlining processes associated with awarding federal funds and easing administrative burden. Are you familiar with the Foundation's plan, and if so, what is your reaction to it?**

Syracuse University is familiar with the NSF's proposed implementation of the OmniCircular regulations in NSF 15.1. NSF has a long tradition of updating its proposal and award administration guide as frequently as needed to reflect changing requirements. The Foundation actively engages the grantee community to inform them well in advance of changes and provides opportunities for comment.

The PAAG 15.1 reflects the provisions of the OmniCircular. Of concern to Syracuse University (and others) are the OmniCircular's procurement standards, which are significantly different than those required under OMB Circular A-110, and may have the unintended consequence of impeding the efficiency of research. We are currently conducting a fit-gap analysis to determine how our current policies and procedures must change to adhere to the applicable provisions. We expect that modifications to our financial systems, and concerted efforts to communicate changes and to train faculty and staff in new procedures will be required.

10. The Committee is very concerned about the high cost of Facilities and Administrative charges on federal research grants. It is critical to US national competitiveness that overhead costs be kept to an absolute minimum, so that the maximum taxpayer dollars flow into laboratories and actual research activities, and not get consumed by overhead.

We urge the committee to recognize that recovery of indirect costs are critical to sustaining our nation's research enterprise. Syracuse University, and all other institutions of higher education with negotiated F&A rates, underwrite the cost of research administration because recovery is capped at 26% of Modified Total Direct Costs. For SU, this unrecovered amount is close to $2M per year. Certainly we are motivated to reduce this subsidy, however, to do so would compromise our ability to adhere to federal regulations. No other organizational type (i.e., for-profit or non-profit (other than educational)) is subject to this restriction.

The main driver of research F&A rates, however, are facilities costs, which include building and equipment depreciation, interest, operations and maintenance and library. Syracuse University has recently brought on line two new research buildings and a fully renovated state-of-the-art multi-story laboratory. The impact of these resources is clear in our recently submitted rate proposal, but this investment was essential to retain the faculty at the heart of our research enterprise. The costs of acquiring and maintaining state-of-the-art infrastructure, so essential for the US to remain at the forefront of innovation, are incorporated here. We and our peer institutions are acutely sensitive to these escalating costs and are working diligently with other institutions in the City of Syracuse and the Upstate New York region to identify strategies to better enable provision of shared services, and the strategic acquisition of equipment for core facilities.

a. What is Syracuse doing to drive down the cost of grant administration?

As part of Fast Forward Syracuse and its Operational Excellence pillar, Syracuse University is exploring modifications in the organization of its pre and post award services. Please see Question 6.

b. How modern and technology enabled are your own internal business processes

Our core enterprise financial systems are modern, but many of our business processes are paper-based. This is an area to be addressed by the Operational Excellence Program.

c. Do you believe that modernization of research administration is getting sufficient attention within the University community?

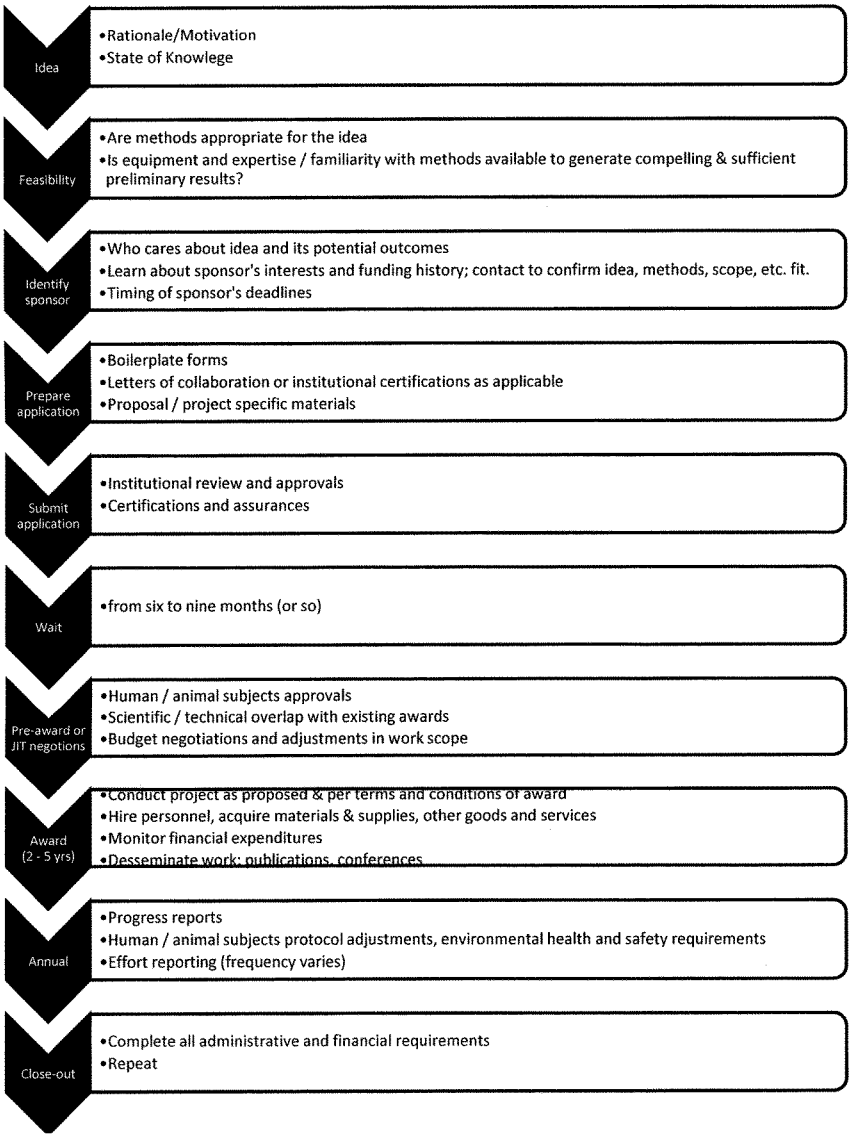
Syracuse University is a member of the Federal Demonstration Partnership as well as the Council on Government Relations. A key driver for our involvement in these organizations is their involvement in development of best practices in a wide range of areas impacting research and its administration.

d. What could the federal government do to encourage modernization and efficiency gains?

To help achieve modernization and control costs, the federal government might establish consistent standards for software providers who develop and maintain products in support of sponsored research.

Such standards would help ensure that products are compliant with applicable regulations and meet governmental sponsored research reporting requirements. This could lead to a government "certification" of software products which meet its criteria, which universities could use when choosing grants administration software.

Proposal Development / Award Lifecycle



Responses by The Honorable Allison Lerner

QUESTIONS FOR THE RECORD: JUNE 12, 2014 HEARING

Allison Lerner, Inspector General, National Science Foundation, Office of Inspector General

"REDUCING THE ADMINISTRATIVE WORKLOAD FOR FEDERALLY FUNDED RESEARCH"

Responses to questions from Chairmen Broun and Bucshon

1.What are the barriers to implementing the recommendations made in the NSB report? In particular, what are the barriers to implementing greater standardization of requirements across agencies?

OIG response: Many of the recommendations in the NSB report pertained to areas such as the grant proposal process and progress reports which are NSF management matters, rather than oversight issues. With respect to standardization of audit requirements, as noted in my testimony, OIGs and Single Audits rely on OMB circulars and guidance, which provide standard requirements across agencies.

2.How can we ensure the balance between the value and the burden of regulatory and reporting requirements?

OIG response: As an OIG, my office is very concerned about striking the right balance between reducing burden and maintaining accountability. Discussions between universities and the audit community, which my office supports, can be a valuable step to help ensure such a balance.

3.Mr. Bienenstock's testimony noted that it would be "valuable to develop uniform and consistent audit practices related to scientific grants and contracts." Do you agree with this recommendation and is it feasible for the audit community?

OIG response: Most grant-related audit work conducted by OIGs or as part of a Single Audit uses guidance set forth in the Uniform Guidance as criteria and is conducted in accordance with audit standards, which should contribute to consistent audit approaches. I agree that such consistency is valuable and as noted, the audit community's reliance on Uniform Guidance and audit standards should lead to consistent audit practices.

4.What is the difference between what the OIG does and what the Single Audit does? How might changes in Single Audit requirements affect institutions, particularly smaller institutions?

OIG response: The purpose of a Single Audit is to determine whether state and local governments, colleges and universities, and non-profit organizations who expend Federal dollars comply with the requirements pertaining to those funds. Prior to the issuance of the Uniform Guidance, the requirement to obtain a single audit kicked in when an organization expended $500,000 in Federal funds in any fiscal year; that threshold was raised to $750,000 with the Uniform Guidance. A Single Audit encompasses an examination of an organization's financial records, financial statements, federal award transactions and expenditures, the general management of its operations, internal control systems, and the federal assistance it received during the audit period.

In contrast, OIG audits focus on specific awards and examine the expenditures associated with those awards to determine whether those expenditures comply with federal requirements and whether the costs claimed were allowable under the award terms and conditions. OIG audits also assess an institution's internal control structure for ensuring the accountability over federal award funds.

With respect to how changes in Single Audit Act requirements could affect institutions, we recommended that OMB retain the existing $500,000 threshold for Single Audits instead of raising it to $750,000 as proposed. Raising the threshold would result in the loss of audit coverage for approximately 6,400 auditees representing nearly $4 billion in Federal expenditures, thereby creating a significant loss of audit coverage for many low-dollar but high risk entities. Raising the threshold could also increase burden, particularly for smaller institutions since absent Single Audits, smaller recipients may have to undergo audits or oversight visits from several different funding agencies.

5.What changes are universities and institutions making in order to become more efficient?

OIG response: We have being doing extensive outreach with universities and institutions about our data-driven audit approach and have increased our communication of the process throughout the engagement so they clearly understand our work. Some of the institutions we have audited using this new approach have informed us that they are becoming more efficient by analyzing cost information and general ledger data using a similar approach that we use to get a better handle on cost oversight from a school perspective.

6.Do larger institutions have an advantage with grant applications due to having greater personnel and funding resources? If the grant application process was streamlined, would it create a more level playing field for research universities of all sizes?

OIG response: NSF uses a merit review system to evaluate the thousands of proposals it receives each year. NSF selects the reviewers from among the national pool of experts in each field and their evaluations are confidential. As an independent entity within NSF charged with oversight, the OIG does not have a role in determining what projects NSF funds or the process NSF uses to determine which applicants receive awards. Therefore, my office is not in a position to comment on whether larger institutions have an advantage with grant applications or whether streamlining the application process would create a more level playing field for all applicants.

7.Do you find that smaller institutions have a more difficult time complying with award requirements? What are the reasons for this?

OIG response: My office and the IG community have found problems at every size institution. Smaller institutions may have less experience managing federal funds and have fewer personnel experienced in this area, which could result in a more difficulty complying with award requirements. It is important to note that we have also found such problems at large, well-funded institutions.

8.Are federal agencies ready and willing to work with each other to streamline their various grant processes? Why or why not and please cite specific examples, if possible.

OIG response: As previously noted, as the oversight entity within the Foundation, my office is not involved in NSF's grant processes or in efforts to streamline those processes.

9.The National Science Foundation has published for public comment its implementation plan of the Office of Management and Budget's uniform guidance on streamlining processes associated with awarding federal funds and easing administrative burden. Are you familiar with the Foundation's plan, and if so, what is your reaction to it?

OIG response: We are aware of NSF's draft plan, which was incorporated into the annual update of the agency's Proposals and Awards Policies and Procedures Guide. We are in the process of analyzing the plan. Our review will focus on ensuring sufficient accountability and transparency for organizations that expend NSF funds.

10.Does the OMB uniform guidance provide sufficient provisions to improve the ability of OIG staff and agency program managers to detect and minimize or prevent fraud, waste or mismanagement?

OIG Response: As noted in the testimony, we supported OMB's efforts to tailor its regulations to impose the least burden on society, consistent with obtaining regulatory objectives, and to identify rules that may be outmoded, ineffective, insufficient, or excessively burdensome. However, we also realized that it was vital, especially in the current budget environment, to ensure that Federal funds provided for research are used for the purposes for which they were provided and in keeping with Federal financial requirements. In order to ensure such stewardship occurs, program managers, pass-through entities and OIGs need tools to help them assess how grant recipients are using the Federal funds they receive.

Labor effort reports, cost accounting standards and disclosure statements, certifications and Single Audits are tools which provide crucial information to individuals charged with program management and/or oversight responsibilities. With HHS OIG, we are currently auditing four labor effort pilots. We recommended that OMB not make significant changes until these audits are done.

With respect to cost accounting standards and disclosure statements, we recommended that OMB retain cost accounting standards requirements for grants and cooperative agreements received by educational institutions with Federal awards of $25 million or more, instead of eliminating them as proposed. All of these benefits come with little burden, and their elimination would seriously undermine the Government's ability to hold institutions accountable for their use of Federal funds. The Council on Financial Assistance Reform (COFAR) recommended retaining these requirements in the Uniform Guidance, although they raised the threshold to $50 million.

We also recommended that certification language be strengthened throughout the Uniform Guidance. The COFAR concurred with this recommendation.

With respect to Single Audits, we recommended that OMB retain the existing $500,000 threshold for Single Audits instead of raising it to $750,000 as proposed. While the COFAR did not concur with this recommendation, it resisted requests from other stakeholders to raise the

threshold even more and recommended setting the threshold at $750,000 in the final version of the Uniform Guidance.

11.Are current effort reporting requirements adequate? Do you think that the effort reporting requirements in the OMB uniform guidance are sufficient?

OIG response: Every year, billions of dollars in Federal funds are used to cover salary costs of individuals who work on Federal grants. Current labor effort reporting requirements are necessary for accountability because they represent support for amounts charged for labor conducted under an award.

In light of the value of labor effort reports, the IG community's comments on the OMB uniform guidance described how proposed changes would seriously undermine our ability to identify and question unallowable and fraudulent charges. Since we are currently auditing labor effort pilots, we recommended that no significant changes based on those pilots be made to the effort reporting process until those audits are completed.

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